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Implementation of the recommendations of the Board of Auditors contained in its reports for the year ended 31 December 2017 on the United Nations funds and programmes

Report of the Secretary-General**

Summary

The present report is submitted in accordance with General Assembly resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes to report to the Assembly, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly, on measures taken or to be taken to implement those recommendations.

The Secretary-General has the honour to transmit to the General Assembly the responses of the executive heads of the funds and programmes, namely, the International Trade Centre, United Nations University, the United Nations Development Programme, the United Nations Capital Development Fund, the United Nations Children's Fund, the United Nations Relief and Works Agency for Palestine Refugees in the Near East, the United Nations Institute for Training and Research, the voluntary funds administered by the United Nations High Commissioner for Refugees, the Fund of the United Nations Environment Programme, the United Nations Population Fund, the United Nations Human Settlements Programme, the United Nations Office on Drugs and Crime, the United Nations Office for Project Services, the United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 and the International Residual Mechanism for Criminal Tribunals.

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* A/73/150.

** The present report was submitted late owing to the extensive process of obtaining inputs from the United Nations funds and programmes.

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The present report provides information further to the comments already submitted to the Board of Auditors, which, in some cases, were included in the final reports of the Board to the executive heads of the respective funds and programmes. The executive heads have concurred with most of the Board's recommendations, and many of the comments of the executive heads have been duly reflected in the reports of the Board. Therefore, in an effort to reduce redundancy, the present report provides additional comments from the executive heads only where required, as well as information on the status of implementation, the office responsible, the estimated completion date and the priority for each recommendation contained in the reports of the Board. In addition, the present report contains an updated status on the implementation of the recommendations of the Board relating to prior periods that were considered by the Board not to have been fully implemented.

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I. Introduction

1. The present report is submitted to the General Assembly in accordance with the provisions of paragraph 7 of its resolution 48/216 B, in which the Assembly requested the executive heads of the United Nations funds and programmes, at the same time as the recommendations of the Board of Auditors were submitted to the Assembly through the Advisory Committee on Administrative and Budgetary Questions, to provide their responses to the Assembly and to indicate measures that would be taken to implement those recommendations, with appropriate timetables.

2. In preparing the present report, account was taken of the provisions of the following General Assembly resolutions:

(a) Resolution 52/212 B (in particular paras. 3–5) and the note by the Secretary-General transmitting the proposals of the Board of Auditors for improving the implementation of its recommendations approved by the Assembly (A/52/753, annex);

(b) Resolution 72/8 A, in which the Assembly, in paragraph 8, reiterated its request to the Secretary-General and the executive heads of the funds and programmes of the United Nations to ensure full implementation of the recommendations of the Board and the related recommendations of the Advisory Committee on Administrative and Budgetary Questions in a prompt and timely manner, to continue to hold programme managers accountable for the non-implementation of recommendations and to effectively address the root causes of the problems highlighted by the Board. In paragraph 9, the Assembly reiterated its request to the Secretary-General to provide in his reports on the implementation of the recommendations of the Board a full explanation for the delays in the implementation of the recommendations of the Board, in particular those recommendations not yet fully implemented that were two or more years old; and in paragraph 10, the Assembly reiterated its request to the Secretary-General to indicate in future reports an expected time frame for the implementation of the recommendations of the Board, as well as the priorities for their implementation and the office holders to be held accountable.

3. In respect of time frames, every effort has been made by the executive heads to establish target dates for completing the implementation of the recommendations.

4. With regard to prioritization, it is noted that the Board categorizes the most important recommendations as "main" recommendations. While all accepted recommendations of the Board will be implemented in a timely manner, the main recommendations will be considered to be of the highest priority.

II. International Trade Centre

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[1]

5. Table 1 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

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[1] A/73/5 (Vol. III), chap. II.

Table 1
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	4	–	4	4	–
Total	**4**	**–**	**4**	**4**	**–**

6. Table 2 summarizes the status of implementation of all recommendations of the Board as of August 2018.

Table 2
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Country Programmes	1	–	1	1	–
Division of Programme Support	8	1	7	7	–
Office of the Executive Director	1	–	1	1	–
Total	**10**	**1**	**9**	**9**	**–**

7. **In paragraph 15 of its report, the Board recommended that the International Trade Centre (ITC) strengthen its mechanism of review and classification of voluntary contribution agreements as conditional or unconditional for the purposes of revenue recognition.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

8. ITC is updating its checklist for the review of voluntary contribution agreements so as to include all the conditions set out in International Public Sector Accounting Standard (IPSAS) 23.

9. **In paragraph 19 of its report, the Board recommended that ITC conduct a review of the residual values and useful lives of its fully depreciated assets still in use.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

10. ITC is planning to include a review of the residual values and useful lives of its fully depreciated assets that are still in use in its next annual financial closing procedures.

11. **In paragraph 26 of its report, the Board recommended that ITC monitor more closely the valuation of liability on account of annual leave to ensure that accurate valuations were depicted in the financial statements.**

Department responsible: Division of Programme Support
Status: In progress
Priority: High
Target date: First quarter of 2019

12. ITC is planning to closely monitor the valuation of liability relating to annual leave as part of its next annual financial closing procedures.

13. **In paragraph 33 of its report, the Board recommended that ITC: (a) define the types of results that ITC projects delivered that contributed to the achievement of the Sustainable Development Goals; and (b) provide guidelines to project managers for contributing to the achievement of each of the 23 selected targets.**

Department responsible: Office of the Executive Director
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2019

14. ITC is in the process of defining types of results that its projects deliver that contribute to the achievement of the Sustainable Development Goals. ITC will also prepare guidelines for project managers, as recommended by the Board.

15. **In paragraph 39 of its report, the Board recommended that ITC update the membership of the Grants Committee when staff changes such as departures or transfers occurred.**

Department responsible: Division of Programme Support
Status: Closure requested
Priority: Medium
Target date: Not applicable

16. ITC has updated the membership of its Grants Committee and issued a new administrative instruction on the Committee's membership. ITC considers this recommendation to have been implemented and requests its closure by the Board.

17. **In paragraph 44 of its report, the Board recommended that ITC conduct an assessment of all implementing partners engaged in its projects.**

Department responsible: Division of Programme Support
Status: In progress
Priority: High
Target date: Fourth quarter of 2018

18. ITC is finalizing an implementing partners' assessment form, which will be promulgated after it has been approved by ITC senior management.

19. **In paragraph 48 of its report, the Board recommended that ITC ensure that division directors reviewed the budget and supporting documents prior to the release of payments to implementing partners.**

Department responsible:	Division of Country Programmes
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

20. ITC is preparing guidelines for division directors in order to strengthen the validation of supporting documents before the release of payments to implementing partners.

21. **In paragraph 58 of its report, the Board recommended that ITC select consultants through a competitive process.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

22. ITC has implemented updates to its consultant hiring tool, eRoster, that include enhancements to the consultant roster and an advanced search facility for hiring managers. The updates are expected to enable hiring managers to better identify potential candidates, thereby strengthening the competitiveness of the recruitment process and the diversity of candidates.

23. **In paragraph 62 of its report, the Board recommended that ITC apply adequate checks and controls to avoid awarding contracts at fees higher than the maximum fee associated with a particular level.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

24. ITC is making enhancements to the recruitment tool in order to avoid awarding contracts at fees higher than the maximum fee associated with a particular level.

25. **In paragraph 72 of its report, the Board recommended that ITC follow a documented and transparent approach for implementing its agreed termination plan.**

Department responsible: Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

26. The Centre's comments are reflected in paragraph 73 of the Board's report.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

27. In the annex to its report for the year ended 31 December 2017 (A/73/5 (Vol. III), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the seven recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

28. Table 3 summarizes the overall situation as of August 2018.

Table 3
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Programme Support	5	–	–	5	5	–
Office of the Executive Director and Division of Programme Support	2	–	–	2	2	–
Total	7	–	–	7	7	–

Report of the Board for the year ended 31 December 2014[2]

29. **In paragraph 21 of its report, the Board recommended that ITC use the benefits realization plan and the improved financial information derived from IPSAS to inform and manage financial risks.**

Departments responsible: Office of the Executive Director and Division of Programme Support

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

30. IPSAS benefits realization is an ongoing process that is being coordinated by United Nations Headquarters, and ITC is regularly reporting to Headquarters as required.

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[2] A/70/5 (Vol. III) and A/70/5 (Vol. III)/Corr.1, chap. II.

Report of the Board for the year ended 31 December 2015[3]

31. **In paragraph 49 of its report, the Board recommended that, to further strengthen internal control, the business intelligence functionality be used to identify exceptions and patterns of expenditure so as to provide insight and focus for management validation and review.**

Departments responsible:	Office of the Executive Director and Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

32. Exception reporting is a United Nations Secretariat-wide necessity, and work has begun to address it through the establishment of a global function to monitor Umoja data.

Report of the Board for the year ended 31 December 2016[4]

33. **In paragraph 40 of its report, the Board recommended that ITC conduct an independent staffing review to optimize its resources.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

34. ITC has embarked on the implementation of this recommendation using a two-pronged approach: a post description review project and a skills mapping project. The completion of both projects is expected to result in updated information that will assist ITC in meeting its staffing requirements.

35. **In paragraph 59 of its report, the Board recommended that ITC operationalize its independent Oversight Committee to strengthen its internal control mechanisms.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

36. ITC is making arrangements to restore and operationalize its Oversight Committee, as recommended by the Board. In the meantime, the Senior Management Committee is functioning as an oversight committee in addition to fulfilling its other roles.

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[3] A/71/5 (Vol. III), chap. II.

[4] A/72/5 (Vol. III), chap. II.

37. **In paragraph 65 of its report, the Board recommended that ITC select consultants through a competitive process.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

38. ITC has implemented updates to its consultant hiring tool, eRoster, that include enhancements to the consultant roster and an advanced search facility for hiring managers. The updates are expected to enable hiring managers to better identify potential candidates, thereby strengthening the competitiveness of the recruitment process and the diversity of candidates.

39. **In paragraph 69 of its report, the Board recommended that ITC: (a) select consultants through a competitive process; and (b) avoid using consultants for performance of generic tasks.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

40. The human resources team continues to advise ITC managers on the rules and procedures related to the hiring of consultants. As indicated above, ITC has updated its eRoster system, which has strengthened the competitiveness of the recruitment process for consultants.

41. **In paragraph 83 of its report, the Board recommended that ITC adhere to the 16-day clause for advance travel planning to reduce travel expenditure and avoid frequent rescheduling and cancellation of tickets.**

Department responsible:	Division of Programme Support
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

42. ITC continues in its efforts to adhere to the 16-day clause for advance travel planning. ITC has encouraged its staff members to submit travel requests 21 days prior to the commencement of travel. Several training sessions on the use of the Umoja travel module and related business intelligence reports have also been organized in order to enforce the requirements of the travel policy.

III. United Nations University

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[5]

43. Table 4 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

Table 4
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Administration	11	1	10	10	–
Campus Computing Centre	2	1	1	1	–
Office of the Rector	4	4	–	–	–
Total	**17**	**6**	**11**	**11**	–

44. Table 5 summarizes the status of implementation of all recommendations of the Board as of August 2018.

Table 5
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Administration	21	3	18	18	–
Campus Computing Centre	4	1	3	3	–
Office of the Rector	10	6	4	4	–
UNU Institute for the Advance Study of Sustainability (UNU-IAS)	8	7	1	1	–
Total	**43**	**17**	**26**	**26**	–

45. **In paragraph 18 of its report, the Board recommended that United Nations University (UNU) develop a risk-control matrix.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

46. UNU has commenced work to gather pertinent data for the creation of a risk-control matrix.

47. **In paragraph 27 of its report, the Board recommended that UNU increase the funding set aside for after-service health insurance and adhere to the accrual policy set out by the Controller in her memorandum dated 29 November 2016.**

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[5] A/73/5 (Vol. IV), chap. II.

Department responsible: Administration

Status: In progress

Priority: High

Target date: First quarter of 2019

48. An internal review is under way to increase the funding set aside for after-service health insurance to 3 per cent with effect 1 January 2019, in line with the accrual policy set out by the Controller.

49. **In paragraph 28 of its report, the Board recommended that UNU collaborate in the efforts of the Working Group on Common Treasury Services to pursue opportunities for collaboration with respect to the investment of funds earmarked for the coverage of after-service health insurance liabilities.**

Department responsible: Administration

Status: Closure requested

Priority: High

Target date: Not applicable

50. UNU has contacted the United Nations Treasury and discussed the opportunity to collaborate on the investment of funds earmarked for the coverage of after-service health insurance liabilities. UNU considers this recommendation to have been implemented and requests its closure by the Board.

51. **In paragraph 36 of its report, the Board recommended that UNU change its accounting policy for enforceable donor agreements that referred to a maximum contribution in cash so as to reflect that in such cases the fair value could usually be measured reliably and an asset should be recognized**.

Department responsible: Administration

Status: In progress

Priority: Medium

Target date: First quarter of 2018

52. UNU is reviewing this recommendation in consultation with the Accounts Division of the Secretariat.

53. **In paragraph 41 of its report, the Board recommended that UNU assess whether it could benefit from an enterprise resource planning system which permitted the automated preparation of the financial statements.**

Department responsible: Administration

Status: In progress

Priority: Medium

Target date: First quarter of 2018

54. UNU has engaged a consultant to review and provide recommendations on the process of preparing its financial statements and reports.

55. **In paragraph 52 of its report, the Board recommended that UNU establish additional standardized cross-cutting benchmarks and performance indicators on fundraising that addressed the funding structure of the institutes.**

Department responsible: Office of the Rector

Status: In progress

Priority: Medium

Target date: Third quarter of 2019

56. UNU is evaluating the viability and applicability of various potential cross-cutting benchmarks and indicators on fundraising. On the basis of that evaluation, UNU will recommend the adoption of specific indicators to the boards and advisory committees of the institutes.

57. **In paragraph 60 of its report, the Board recommended that UNU ensure that all UNU institutes underwent an external review every four to five years, and that it therefore redefine and issue the evaluation plan.**

Department responsible: Office of the Rector

Status: Closure requested

Priority: Medium

Target date: Not applicable

58. The Rector has issued a memorandum setting out an evaluation schedule for all UNU institutes. UNU considers this recommendation to have been implemented and requests its closure by the Board.

59. **In paragraph 61 of its report, the Board recommended that UNU determine minimum requirements in the terms of reference on the scope of the financial analysis and recommendations that needed to be covered by the evaluation.**

Department responsible: Office of the Rector

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

60. UNU is in the process of updating its quality assurance and organizational performance policy. A handbook that includes detailed information on various evaluation processes and sample terms of reference will be issued by the fourth quarter of 2018.

61. **In paragraph 68 of its report, the Board recommended that UNU clearly operationalize its goal to sign fewer but larger specific programme contribution agreements.**

Department responsible: Office of the Rector

Status: In progress

Priority: Medium

Target date: Third quarter of 2019

62. As indicated above, UNU is evaluating the viability and applicability of various potential cross-cutting benchmarks and indicators on fundraising. On the basis of that evaluation, UNU will determine whether it can operationalize its goal to sign fewer but larger specific programme contribution agreements.

63. **In paragraph 73 of its report, the Board recommended that UNU establish new institutes only if the agreements complied with the stipulations set out to ensure financial sustainability for the medium and long term.**

Department responsible: Office of the Rector

Status: Closure requested

Priority: Medium

Target date: Not applicable

64. The UNU Council adopted a revision of the policy and criteria for the establishment of new UNU institutes, which stipulates the funding thresholds for such institutes. UNU considers this recommendation to have been implemented and requests its closure by the Board.

65. **In paragraph 79 of its report, the Board recommended that UNU conduct a comprehensive analysis of the financial situation of all UNU institutes.**

Department responsible: Office of the Rector

Status: Closure requested

Priority: High

Target date: Not applicable

66. UNU has conducted a comprehensive analysis of the financial situation of all UNU institutes and prepared assessment reports, in consultation with the leadership of each institute. UNU considers this recommendation to have been implemented and requests its closure by the Board.

67. **In paragraph 80 of its report, the Board recommended that UNU determine specific steps to strengthen the financial sustainability of the UNU system.**

Department responsible: Office of the Rector

Status: Closure requested

Priority: High

Target date: Not applicable

68. UNU has determined specific steps relating to its financial sustainability and is issuing recommendations to its institutes on the basis of their respective assessment

reports mentioned above. UNU considers this recommendation to have been implemented and requests its closure by the Board.

69. **In paragraph 89 of its report, the Board recommended that UNU fully implement the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

70. UNU is rolling out the online training course entitled "Preventing fraud and corruption at the United Nations" to all its staff and plans to fully implement the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat by June 2019.

71. **In paragraph 100 of its report, the Board recommended that UNU establish an information and communications technology (ICT) governance framework adjusted to its needs and objectives as soon as possible. The ICT governance framework should not seek to restrict the academic programme of the UNU institutes but should allow for far-reaching and effective coordination and standardization across UNU in ICT matters.**

Department responsible:	Campus Computing Centre
Status:	Closure requested
Priority:	High
Target date:	Not applicable

72. UNU has issued a memorandum outlining its ICT governance framework. The memorandum defines the terms, roles and responsibilities, and guiding principles with respect to ICT governance across UNU. UNU considers this recommendation to have been implemented and requests its closure by the Board.

73. **In paragraph 112 of its report, the Board recommended that UNU make sure that all UNU ICT users, in particular new personnel, completed the information security awareness training course of the Department of Safety and Security of the Secretariat as soon as possible.**

Department responsible:	Campus Computing Centre
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

74. UNU has issued an announcement to introduce the mandatory foundational course to its community, with the indication that the course must be completed by 31 October 2018.

75. **In paragraph 113 of its report, the Board recommended that UNU request all UNU ICT users to submit their information security awareness foundational certificates after completion of the course to the UNU human resources service.**

Department responsible:	Campus Computing Centre
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

76. The Campus Computing Centre is coordinating with the UNU human resources service to ensure full compliance with the mandatory training course.

77. **In paragraph 118 of its report, the Board recommended that UNU assess the sensitivity of data it received from and sent to third parties in accordance with the classification principles stipulated in the Secretary-General's bulletin on information sensitivity, classification and handling (ST/SGB/2007/6) and make sure that sensitive information was appropriately protected.**

Department responsible:	Campus Computing Centre
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

78. A review of sensitive information and safeguard measures is currently ongoing with the UNU legal office. Furthermore, the Campus Computing Centre is coordinating with the UNU ICT network to conduct a data classification exercise and implement security controls to protect resources and data at all institutes.

79. **In paragraph 129 of its report, the Board recommended that UNU check randomly, preferably in advance of the planned travel, whether a security clearance had been obtained.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

80. UNU has reminded its staff about their obligation to comply strictly with the security clearance process, and a system of verification will be put in place by the end of 2018.

81. **In paragraph 130 of its report, the Board recommended that UNU determine how travellers other than UNU staff and personnel service agreement holders should announce the necessary security clearances.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

82. The UNU administrative instruction on official travel is being updated to reflect the security clearance requirements.

83. **In paragraph 136 of its report, the Board recommended that the UNU Centre activate, test and update the emergency response plan and the business continuity plan as soon as possible.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

84. The updated documents are posted on the shared drive of UNU. Tests will be conducted in line with the planned safety and security training and emergency drill.

85. **In paragraph 137 of its report, the Board recommended that the UNU Centre include a disaster recovery plan in the business continuity plan.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

86. The UNU business continuity plan is being revised and will include a disaster recovery plan.

87. **In paragraph 146 of its report, the Board recommended that UNU plan mandatory safety and security training sessions and perform mandatory emergency drills for all United Nations personnel inside the UNU headquarters building to ensure the preparedness of UNU and the effectiveness of its systems and procedures to deal with emergency situations. Emergency drills should not be pre-announced.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

88. UNU conducted the first safety and security training and evacuation drill in March 2018. To evaluate the preparedness of UNU personnel, a mandatory and unannounced evacuation drill will be conducted in the fourth quarter of 2018.

89. **In paragraph 148 of its report, the Board recommended that the UNU Centre strengthen its efforts to enhance the quantity of stock of emergency supplies. The minimum stock should be in line with recommendations given by the Tokyo Metropolitan Government.**

Department responsible: Administration

Status: Closure requested

Priority: Medium

Target date: Not applicable

90. Emergency supplies are now maintained in the UNU headquarters building in accordance with the recommendation by the Tokyo Metropolitan Government. UNU considers this recommendation to have been implemented and requests its closure by the Board.

91. **In paragraph 150 of its report, the Board recommended that UNU provide all UNU personnel (including consultants and students) in Japan with the country-specific security orientation package for Japan.**

Department responsible: Administration

Status: Closure requested

Priority: Medium

Target date: Not applicable

92. The relevant country-specific security orientation documents have been posted on the UNU intranet. UNU considers this recommendation to have been implemented and requests its closure by the Board.

93. **In paragraph 159 of its report, the Board recommended that repair and maintenance measures at the UNU headquarters building that were needed to ensure the safety and security of personnel and other people using the facilities be prioritized.**

Department responsible: Administration

Status: In progress

Priority: High

Target date: First quarter of 2022

94. UNU has been engaged in discussions with the Ministry of Education, Culture, Sports, Science and Technology regarding the mid- to long-term renovation plans for the UNU headquarters building, since the Ministry owns it.

95. **In paragraph 175 of its report, the Board recommended that UNU-IAS ensure that travellers reported their travel completion within one month after the travel end date.**

Department responsible: UNU-IAS
Status: Closure requested
Priority: Medium
Target date: Not applicable

96. UNU-IAS has reviewed and revised its workflow for the travel process. Submissions of travel completion certifications are now closely monitored by a focal point. UNU considers this recommendation to have been implemented and requests its closure by the Board.

97. **In paragraph 176 of its report, the Board recommended that UNU update its administrative instruction on travel on the basis of the relevant United Nations rules and administrative instructions and taking into account lessons learned since the administrative instruction had been implemented. The updated administrative instruction should cover travel issues that had turned out to be general cases for enhancing transparency and giving staff clear guidance. The updated administrative instruction should also include the current version of the duty travel plan.**

Department responsible: Administration
Status: In progress
Priority: Medium
Target date: First quarter of 2019

98. The UNU administrative instruction on travel is under review. A number of areas needing improvement have been identified, and the improvements made will be reflected in the updated version.

99. **In paragraph 178 of its report, the Board recommended that UNU use the most economical route available as the standard route for all official travel pursuant to staff rule 7.6 (f).**

Department responsible: Administration
Status: In progress
Priority: Medium
Target date: First quarter of 2019

100. Detailed guidelines on the standards of accommodation for air travel will be added to the updated UNU administrative instruction on travel, which is under review.

101. **In paragraph 179 of its report, the Board recommended that UNU randomly review the requirement on reporting for duty in paragraph 5.4 of the UNU administrative instruction.**

Department responsible: Administration

Status: In progress

Priority: Medium

Target date: First quarter of 2019

102. The UNU administrative instruction on travel will be updated to reflect the procedure for reporting for duty.

103. **In paragraph 180 of its report, the Board recommended that UNU determine that travellers other than staff and personnel service agreement holders could announce all their travel using a formal duty travel plan to facilitate the administrative work process.**

Department responsible: Administration

Status: In progress

Priority: Medium

Target date: First quarter of 2019

104. The UNU administrative instruction on travel will be updated to reflect the procedure for announcing the travel of people other than staff and personnel service agreement holders.

105. **In paragraph 193 of its report, the Board recommended that UNU develop its own institutional memory instead of continuously hiring former staff members as consultants for this purpose.**

Department responsible: Office of the Rector

Status: In progress

Priority: Medium

Target date: Third quarter of 2019

106. UNU has launched a regulatory framework database and commenced the restructuring of its electronic legal database. UNU is also assessing ways to document and archive various institutional knowledge and work experiences.

107. **In paragraph 194 of its report, the Board recommended that UNU describe specific, results-oriented functions to be accomplished within a prescribed time frame in the terms of reference or work assignment contained in its consultant contracts.**

Department responsible: Office of the Rector

Status: Closure requested

Priority: High

Target date: Not applicable

108. All recently issued consultant contracts have adhered to the guidance provided by the Board. Going forward, all consultant contracts will be issued in accordance

with that guidance. UNU considers this recommendation to have been implemented and requests its closure by the Board.

109. **In paragraph 195 of its report, the Board recommended that UNU document the performance of its consultants in a comprehensible and fully justifiable form.**

Department responsible:	Office of the Rector
Status:	Closure requested
Priority:	High
Target date:	Not applicable

110. All recently issued consultant contracts include specific reporting requirements used to document the performance of the consultants. UNU considers this recommendation to have been implemented and requests its closure by the Board.

111. **In paragraph 197 of its report, the Board recommended that UNU limit the duration of consultant contracts for retired staff members in receipt of a benefit from the United Nations Joint Staff Pension Fund to six months per calendar year. UNU should consider calculating fees on the basis of the nature and complexity of the assignment performed by former or retired staff members.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

112. The UNU human resources service is reviewing the relevant UNU administrative instruction to address this recommendation.

113. **In paragraph 205 of its report, the Board recommended that UNU use an electronic system, preferably the human capital management module of the enterprise resource planning system, for managing personnel service agreements and consultant and individual contractor contracts.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

114. The UNU human resources service has successfully migrated a pilot group of personnel service agreements to the human capital management module of the enterprise resource planning system and is working to migrate the remaining ones by June 2019.

115. **In paragraph 216 of its report, the Board recommended that UNU plan procurement processes diligently and in time. In doing so, UNU should monitor the financial threshold for procurements with the utmost accuracy and prevent requesting units and procurement officers from dividing purchases in many parts, with the result of a waiver of competitive bidding.**

Department responsible:	Administration
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

116. Training and guidance on procurement planning are being provided to requesters and procurement focal persons.

117. **In paragraph 224 of its report, the Board recommended that UNU-IAS change the operating unit for all assets in use to 611 (UNU-IAS) at the earliest possible time.**

Department responsible:	UNU-IAS
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

118. UNU-IAS has reviewed and changed the operating unit for all of its assets that are in use. UNU considers this recommendation to have been implemented and requests its closure by the Board.

119. **In paragraph 225 of its report, the Board recommended that UNU-IAS add all necessary information (serial number, model description and custodian) to the assets in Atlas.**

Department responsible:	UNU-IAS
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

120. UNU-IAS has conducted a physical verification of its assets and updated all the necessary information in Atlas. UNU considers this recommendation to have been implemented and requests its closure by the Board.

121. **In paragraph 226 of its report, the Board recommended that UNU-IAS not use software products or licences with an expired licence period to prevent legal action from being taken by the licensor.**

Department responsible:	UNU-IAS
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

122. UNU-IAS has reviewed and updated its records of software products and licences. All previously expired software products and licences have been either renewed or disposed of. UNU considers this recommendation to have been implemented and requests its closure by the Board.

123. **In paragraph 227 of its report, the Board recommended that UNU-IAS perform a physical verification exercise for the library collection and update the information in the library management system at the earliest possible time.**

Department responsible:	UNU-IAS
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

124. A physical verification exercise is being conducted by UNU-IAS, and the information in the library management system will be updated by the end of 2018.

125. **In paragraph 234 of its report, the Board recommended that UNU-IAS perform a thorough physical verification exercise to ensure the completeness of data of assets.**

Department responsible:	UNU-IAS
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

126. UNU-IAS has conducted a physical verification exercise with respect to all its assets. UNU considers this recommendation to have been implemented and requests its closure by the Board.

127. **In paragraph 235 of its report, the Board recommended that UNU-IAS update the location of all assets and their profile ID. Atlas should display all assets that were actually in service with the status "I" (in use). Assets that were obsolete or not in use should be deleted in Atlas or their asset status should at least be changed from "in use" to "D" (disposed of).**

Department responsible:	UNU-IAS
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

128. UNU-IAS has conducted a physical verification exercise and updated all necessary information in the Atlas system. UNU considers this recommendation to have been implemented and requests its closure by the Board.

129. **In paragraph 236 of its report, the Board recommended that UNU-IAS tag all capital and non-capital assets in use with a valid tag label in line with the information recorded in Atlas and remove or black all tags of items that did not have to be registered in Atlas as an asset (for example, ICT parts, and furniture with a value lower than $1,500).**

Department responsible: UNU-IAS

Status: Closure requested

Priority: Medium

Target date: Not applicable

130. UNU-IAS has tagged all its capital and non-capital assets in use in line with the information recorded in Atlas. All tags for items not required to be registered in Atlas have been removed. UNU considers this recommendation to have been implemented and requests its closure by the Board.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

131. In the annex to its report for the financial period ended 31 December 2017 (A/73/5 (Vol. IV), chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 12 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

132. Table 6 summarizes the overall situation as of August 2018.

Table 6
Status of implementation of recommendations from prior periods considered by the Board as not fully implemented

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Administration	7	1	6	2	4
Multiple offices	5	–	5	5	–
Total	**12**	**1**	**11**	**7**	**4**

Report of the Board for the year ended 31 December 2014[6]

133. **In paragraph 35 of its report, the Board recommended that UNU: (a) improve the documentation practices to enhance transparency in the selection process; (b) conduct formal evaluation of the work performed before renewal of the contract; (c) make payment of fees on a lump-sum basis after certification by the authorized official of satisfactory completion of the work; and (d) take measures to ensure that the total duration of services did not exceed the administrative instructions issued in this regard.**

Department responsible: Administration

Status: In progress

Priority: High

Target date: Ongoing

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[6] A/70/5 (Vol. IV), chap. II.

134. UNU has sent reminders to its human resources focal points requesting them to address the issues raised in this recommendation.

Report of the Board for the year ended 31 December 2015[7]

135. **In paragraph 14 of its report, the Board recommended that UNU create deferred revenue liability for the amount of future instalments which depended on fulfilment of performance obligations.**

Department responsible: Administration

Status: In progress

Priority: Medium

Target date: Ongoing

136. Discussions on this recommendation are ongoing between the Board, UNU and the Accounts Division of the Secretariat.

137. **In paragraph 18 of its report, the Board recommended that UNU review the useful lives of all assets, revalue the fully depreciated assets which were still in use and estimate their useful lives.**

Department responsible: Administration

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

138. UNU and the Accounts Division of the Secretariat are reassessing the useful lives of fully depreciated assets still in use.

139. **In paragraph 87 of its report, the Board recommended that UNU put in place a business continuity plan to ensure that it could continue in operation in the event of major disruptions to its normal business environment, in the interests of the organization.**

Department responsible: Administration

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

140. The UNU business continuity plan is being revised and will include a disaster recovery plan.

Report of the Board for the year ended 31 December 2016[8]

141. **In paragraph 30 of its report, the Board recommended that UNU consider multi-year donor agreements to be conditional if the receipt of future instalments depended on the fulfilment of enforceable performance obligations, specifically**

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[7] A/71/5 (Vol. IV), chap. II.

[8] A/72/5 (Vol. IV), chap. II.

if UNU had no experience with the donor or had not previously breached stipulations and therefore had no evidence that enforcement was unlikely.

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Ongoing

142. Discussions on this recommendation are ongoing between the Board, UNU and the Accounts Division of the Secretariat.

143. **In paragraph 45 of its report, the Board recommended that UNU review its internal process for creating accruals and implement internal controls to ensure that expenses were identified and accrued in appropriate periods.**

Department responsible:	Administration
Status:	In progress
Priority:	High
Target date:	Ongoing

144. Discussions on this recommendation are ongoing between the Board and UNU.

145. **In paragraph 75 of its report, the Board recommended that the UNU Institute for Environment and Human Security (UNU-EHS) and the UNU Vice-Rectorate in Europe (UNU-ViE) perform a physical verification exercise for all capital and non-capital assets as soon as possible and update the actual locations of all assets and the information about the custodian.**

Departments responsible:	UNU-EHS and UNU-ViE
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

146. UNU-EHS and UNU-ViE have completed the physical verification exercise with respect to capital assets, and they plan to complete the exercise with respect to non-capital assets by the end of 2018.

147. **In paragraph 76 of its report, the Board recommended that UNU update the information on capital and non-capital assets in the Atlas enterprise resource planning system on the basis of the physical verification exercise as at April 2017. Atlas should display only assets with the status "in use" that were actually in service. Assets that were obsolete or not in use should be deleted in Atlas, or at least their asset status should be changed from "in use" to "disposed of".**

Departments responsible: UNU-EHS and UNU-ViE

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

148. As indicated above, the physical verification exercise with respect to capital assets was completed, and the relevant information was updated in the Atlas system. The verification exercise with respect to non-capital assets and the updating of the corresponding information in the Atlas system are planned to be completed by the end of 2018.

149. **In paragraph 77 of its report, the Board recommended that UNU tag all capital and non-capital assets in use with a valid tag label in reference to the information recorded in Atlas.**

Departments responsible: UNU-EHS and UNU-ViE

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

150. UNU-EHS and UNU-ViE have completed the tagging and physical verification of all capital assets. Similar actions with respect to non-capital assets are expected to be completed by the end of 2018.

151. **In paragraph 97 of its report, the Board recommended that UNU-EHS and UNU-ViE plan, formalize and carry out all activities for business continuity and disaster recovery for any event of disruption. This plan was to be reviewed periodically.**

Departments responsible: UNU-EHS and UNU-ViE

Status: In progress

Priority: High

Target date: Second quarter of 2019

152. UNU-EHS and UNU-ViE are in the process of recruiting staff who will work on business continuity and disaster recovery planning.

153. **In paragraph 107 of its report, the Board recommended that UNU-EHS and UNU-ViE not implement Office 365 until the efficiency of implementing Office 365 in comparison with adequate services provided by the institutes themselves had been verified. Aspects of information technology security also needed to be considered in this verification process.**

Department responsible: UNU-EHS and UNU-ViE

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

154. The implementation of Office 365 is currently not a priority for UNU-EHS and UNU-ViE, and has therefore been postponed until 2019. In the meantime, aspects of information technology security and the adequacy of services relating to Office 365 will continue to be assessed.

155. **In paragraph 124 of its report, the Board recommended that UNU restrict access to the personal data contained in personnel service agreements and consultant and individual contractor contracts to the approving officer responsible.**

Department responsible:	Administration
Status:	Closure requested
Priority:	High
Target date:	Not applicable

156. The UNU human resources service has successfully migrated a pilot group of personnel service agreements to the human capital management module of the enterprise resource planning system, which restricts access to personal data. UNU considers this recommendation to have been overtaken by events and requests its closure by the Board.

IV. United Nations Development Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[9]

157. Table 7 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

Table 7
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Office of Financial Resources Management	1	–	–	1	1	–
Regional Bureau for Africa	4	–	3	1	1	–
Regional bureaux	9	–	–	9	9	–
Total	**14**	–	**3**	**11**	**11**	–

158. Table 8 summarizes the status of implementation of all recommendations of the Board as of August 2018.

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[9] A/73/5/Add.1 and A/73/5/Add.1/Corr.1, chap. II.

Table 8
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Office of Financial Resources Management	3	–	–	3	3	–
Office of Human Resources	1	–	–	1	1	–
Office of Information Management and Technology	3	–	–	3	3	–
Office of Sourcing and Operations	1	–	–	1	1	–
Regional Bureau for Africa	6	–	3	3	3	–
Regional bureaux	17	–	–	17	17	–
Total	**31**	–	**3**	**28**	**28**	–

159. **In paragraph 23 of the report, the United Nations Development Programme (UNDP) agreed with the Board's recommendations that the Resident Coordinator Office in the UNDP Paraguay country office liaise with the United Nations country team and the implementing partners to: (a) develop the monitoring and evaluation plan for the United Nations Development Assistance Framework covering the remaining period of the programme cycle 2015–2019; (b) ensure that Development Assistance Framework monitoring and evaluation activities were done on time for the remaining period of the Framework; and (c) ensure the completeness and updating of all the information in the Development Assistance Framework and the country programme document, that is, the matrix of results and resources framework (2015–2019).**

Department responsible:	Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

160. The United Nations country team, with the support of the Office of the Resident Coordinator, will work with the Technical Planning Secretariat (Ministry of Planning) to: (a) develop a joint monitoring and evaluation plan for the biennium 2018–2019 and carry out the monitoring and evaluation activities included in it; and (b) update the United Nations Development Assistance Framework results matrix.

161. **In paragraph 24 of the report, UNDP also agreed with the Board's recommendation that the UNDP Egypt and South Africa country offices: (a) continue to liaise with the key counterparts consisting of implementing partners and the United Nations country team so that the counterparts were fully engaged in the United Nations Development Assistance Framework process to smooth implementation of the Framework by conducting annual reviews and responding on time to recommendations of evaluations; (b) formulate strategies to ensure that results of the current Development Assistance Framework evaluations and reviews were used to design the next Framework; and (c) ensure that the conclusions and recommendations from annual and midterm reviews of country programmes enabled timely updating and revision of the country programme documents.**

Departments responsible:	Regional Bureau for Africa and Regional Bureau for Arab States
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

162. The UNDP country offices in Egypt and South Africa will: (a) continue to liaise with counterparts for participation in the United Nations Development Assistance Framework and the UNDP strategic cooperation framework road map; (b) ensure that results of the current United Nations Development Assistance Framework/strategic cooperation framework road map evaluations and reviews are used to design the next road map; and (c) ensure that the conclusions and recommendations resulting from annual and midterm reviews of country programmes are used in the revision of country programme documents.

163. **In paragraph 30 of the report, UNDP agreed with the Board's recommendation that in future: (a) the UNDP Turkey, Egypt and Turkmenistan country offices update information in the Evaluation Resource Centre in a timely manner; and (b) UNDP headquarters establish controls to ensure that all country offices updated information in the Centre, including setting time frames for completion of updates after an evaluation had been completed.**

Departments responsible:	Regional Bureau for Europe and the Commonwealth of Independent States and Bureau for Policy and Programme Support
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

164. Regarding part (a) of the recommendation, the UNDP country offices in Turkey and Turkmenistan will update the Evaluation Resource Centre in a timely manner. The management of the UNDP country office in Egypt has already implemented the recommendation. Regarding part (b), UNDP is liaising with the Independent Evaluation Office at the headquarters level to establish a follow-up process.

165. **In paragraph 35 of the report, UNDP agreed with the Board's recommendations that country offices: (a) continue consultation with the implementing partners such that combined delivery reports were signed on time by UNDP and the implementing partners in compliance with the Programme and Operations Policies and Procedures; (b) ensure that the follow-up requests to the implementing partners were conducted on time and evidence of the follow-up was uploaded to the combined delivery report library in the corporate planning system; and (c) certify the combined delivery reports on time when implementing partners were not responding after a reasonably extended period.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

166. UNDP is continuing its consultations with implementing partners in order to improve the timeliness of the combined delivery reports. UNDP will enhance its efforts to ensure that follow-ups are carried out on time and evidence is uploaded to the combined delivery report library accordingly. UNDP has also issued a policy for the certification of combined delivery reports in case of non-response by implementing partners, and will monitor compliance with the policy accordingly.

167. **In paragraph 41 of the report, UNDP agreed with the Board's recommendation that it ensure that country offices reviewed and updated project risk, issue and monitoring logs and documented information in Atlas on time as the primary source of project information.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

168. UNDP continues to monitor compliance by its country offices with the requirements through its annual project quality analysis process.

169. **In paragraph 47 of its report, the Board recommended that the UNDP country offices, in consultation with the implementing partners: (a) analyse the project documents with respect to their relevance and timing and consider revising them owing to the lapse of time; and (b) consider setting a time frame for implementing partners to approve the project documents.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

170. Regarding part (a) of the recommendation, UNDP agrees that there is a need to develop project documents within a stipulated time frame that is agreeable to donors and implementing partners. Regarding part (b), UNDP will analyse the potential effects of setting a time frame for implementing partners.

171. **In paragraph 52 of the report, UNDP agreed with the Board's recommendation that it: (a) provide further guidance to the country office concerning implementation of the harmonized approach to cash transfers framework; and (b) continue to advocate to the Government and development partners on the importance of implementing the framework in the country office.**

Department responsible:	Regional Bureau for Europe and the Commonwealth of Independent States
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

172. UNDP will provide further guidance on the harmonized approach to cash transfers to its country office in Turkmenistan and continue to advocate with the Government and development partners, as recommended by the Board.

173. **In paragraph 57 of the report, UNDP agreed with the Board's recommendation that the Turkmenistan, South Africa, Turkey and Paraguay country offices encourage the working groups on the harmonized approach to cash transfers to be active and perform their duties to facilitate planning and implementation of the harmonized approach to cash transfers framework in the respective countries through regular meetings and activities, which should be documented.**

Departments responsible:	Regional Bureau for Africa, Regional Bureau for Europe and the Commonwealth of Independent States and Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

174. The UNDP country offices in Turkmenistan, South Africa, Turkey and Paraguay are in the process of reactivating their working groups on the harmonized approach to cash transfers.

175. **In paragraph 61 of the report, UNDP agreed with the Board's recommendation that the South Africa country office use public expenditure and financial accountability reports as a source of information and liaise with other United Nation agencies to conduct macroassessments for the harmonized approach to cash transfers to align with their country office programme cycles, as required by the Programme and Operations Policies and Procedures on the harmonized approach to cash transfers and the United Nations Development Group harmonized approach to cash transfers framework.**

Department responsible:	Regional Bureau for Africa
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

176. The implementation of the harmonized approach to cash transfers framework in the South Africa country office is being revived. It is encouraging that the United Nations system in South Africa is geared towards implementing the "Delivering as one" approach and that the harmonized approach to cash transfers will be strengthened by ongoing United Nations reforms, which require United Nations agencies to increase their cooperation.

177. **In paragraph 66 of its report, the Board recommended that, in future, the UNDP Paraguay and Egypt country offices conduct microassessments of implementing partners and determine the appropriate cash transfer modality before engaging them to perform programme activities in line with the Programme and Operations Policies and Procedures on the harmonized approach to cash transfers.**

Departments responsible:	Regional Bureau for Arab States and Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

178. The UNDP Egypt and Paraguay country offices are planning to conduct microassessments and establish compensating controls as appropriate.

179. **In paragraph 73 of its report, the Board recommended that in future, UNDP update in a timely manner the contents of the Programme and Operations Policies and Procedures on the harmonized approach to cash transfers, related guidance notes and the methodology (checklist) to accommodate and harmonize changes pursuant to UNDP requirements before country offices started implementation of those changes.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

180. Going forward, UNDP is planning to update the contents of the Programme and Operations Policies and Procedures on the harmonized approach to cash transfers on time.

181. **In paragraph 79 of its report, the Board recommended that UNDP document its annual process performed to evidence the review of useful lives of assets, and specify in the policy guidelines the manner in which the review of the useful lives of assets would be performed and documented.**

Department responsible:	Office of Sourcing and Operations
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

182. UNDP is documenting the annual process of the review of the useful lives of assets and will update its policy guidelines, as recommended by the Board.

183. **In paragraph 83 of its report, the Board recommended that UNDP establish a mechanism such as timesheets to capture time spent by UNDP staff in order to improve the determination of staff costs for internally developed software.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

184. UNDP is developing timesheets for internally developed software.

185. **In paragraph 88 of the report, UNDP agreed with the Board's recommendation that the Malawi, Paraguay and South Africa country offices ensure that, in future, evaluations of service contractors were completed on time, ideally one month prior to the expiration of contracts in accordance with policy, to give reasonable time for the office to make relevant and timely decisions regarding service contracts.**

Departments responsible:	Regional Bureau for Africa and Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

186. The country offices have stepped up their efforts to ensure that evaluations of service contracts are carried out on time. This includes sending reminders to project and programme managers.

187. **In paragraph 92 of the report, UNDP agreed with the Board's recommendation that the Turkmenistan country office: (a) align the job descriptions for the hired service contract individuals with the service contract user guide; and (b) ensure that the service contract holders did not perform internal control functions to compensate for the absence of staff.**

Department responsible:	Regional Bureau for Europe and the Commonwealth of Independent States
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

188. The UNDP country office in Turkmenistan is reviewing its usage of service contract individuals with due consideration to the alignment of their job descriptions with the service contract user guide.

189. **In paragraph 97 of its report, the Board reiterated its previous recommendation that UNDP ensure that all staff members completed mandatory training courses on time.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

190. UNDP is planning to review compliance with the completion of mandatory training courses by its staff members on an annual basis and to send reminders to offices with low completion rates.

191. **In paragraph 102 of the report, UNDP agreed with the Board's recommendations that country offices: (a) encourage staff to exercise their leave**

within the period in which leave was earned; and (b) ensure the implementation of the leave plan so that the office operated efficiently at all times and ultimately to reduce cases of forfeited untaken leave days.

Departments responsible: Regional bureaux

Status: In progress

Priority: High

Target date: First quarter of 2019

192. UNDP continues to remind staff to take leave in a timely manner.

193. **In paragraph 108 of its report, the Board recommended that UNDP: (a) conduct an asset and liability management study to review the appropriateness of the funding plan and other valuation assumptions; and (b) update its policy for funding of end-of-service liabilities to specify the frequency of asset and liability management studies, as the current policy was silent in this area.**

Department responsible: Office of Financial Resources Management

Status: In progress

Priority: High

Target date: First quarter of 2019

194. UNDP is conducting an asset and liability management study and will update its policy accordingly.

195. **In paragraph 113 of its report, the Board recommended that UNDP: (a) specify in the investment guidelines the manner in which its review would be performed and documented; and (b) in future, perform and document annual reviews of the investment guidelines.**

Department responsible: Office of Financial Resources Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

196. UNDP is updating the investment guidelines and will conduct annual reviews of the guidelines going forward.

197. **In paragraph 117 of the report, UNDP agreed with the Board's recommendation that the country office liaise with the Government, the regional bureau and UNDP headquarters regarding the fate of the aged outstanding government contribution for the local office cost in order to report such balances which were current and collectible.**

Department responsible:	Regional Bureau for Latin America and the Caribbean
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

198. The UNDP country office in Paraguay is continuing to follow up with the Ministry of Foreign Affairs until the government contribution for the local office cost has been paid.

199. **In paragraph 123 of the report, UNDP agreed with the Board's recommendation that country offices ensure: (a) that United Nations agencies signed the memorandum of understanding for the occupancy and use of United Nations common premises; and (b) that all amounts due for payments or refunds between agencies were settled on time in accordance with the memorandum of understanding.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

200. UNDP is negotiating with the agencies to sign the memorandum of understanding on time. UNDP will also follow up on payments and refunds.

201. **In paragraph 128 of its report, the Board recommended that UNDP: (a) use the industry best practices (Prince2, Agile, return on investment) in preparing annual evaluations of ICT road maps to ensure that project deliverables were measurable and linked to the organization's strategic outputs/priorities; and (b) update the ICT project management guidelines such that they stipulated the need for assessing projects to ensure that projects achieved strategic outputs based on defined metrics as required in the Prince2 benefit review plan and quality criteria.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

202. UNDP is planning to use industry best practices in its annual evaluation of ICT road maps and will update the ICT project management guidelines, as recommended by the Board.

203. **In paragraph 132 of its report, the Board recommended that UNDP: (a) specify materiality criteria and thresholds for developed applications that required formal source code review; and (b) conduct applicable source code reviews and establish a mechanism to track comments from the reviews to ensure that developers corrected all noted issues.**

Department responsible:	Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

204. UNDP will specify materiality criteria and conduct source code reviews, as recommended by the Board.

205. **In paragraph 136 of the report, UNDP agreed with the Board's recommendation that: (a) country offices implement design of electronic fund transfer interface in accordance with Atlas banking system guidelines to eliminate manual intervention and prevent unauthorized access to electronic fund transfer files residing in the network by encryption; and (b) establish a mechanism for keeping backups of electronic fund transfer files for reconciliation of records.**

Departments responsible:	Regional Bureau for Africa and Office of Financial Resources Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

206. UNDP headquarters is developing a project aimed at a corporate solution to address the data security issues.

207. **In paragraph 142 of the report, UNDP agreed with the Board's recommendation that the South Africa and Egypt country offices: (a) strengthen controls over information security to ensure that the disaster recovery and business continuity plans were tested on time and test results were documented; and (b) review and update the business continuity plan on time.**

Departments responsible:	Regional Bureau for Africa and Regional Bureau for Arab States
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

208. The South Africa and Egypt country offices are making arrangements to update and test their disaster recovery and business continuity plans.

209. **In paragraph 143 of its report, the Board recommended that the Malawi country office prepare and use approved versions of the business continuity plan and disaster recovery plans.**

Department responsible:	Regional Bureau for Africa
Status:	Closure requested
Priority:	High
Target date:	Not applicable

210. The Malawi country office is now using approved versions of the business continuity and disaster recovery plans. UNDP considers this recommendation to have been implemented and requests its closure by the Board.

211. **In paragraph 147 of the report, UNDP agreed with the Board's recommendation that it ensure that the South Africa country office: (a) speed up the process of establishing a recovery site; and (b) renew the memorandum of understanding with the company that was providing the off-site storage facility.**

Department responsible:	Regional Bureau for Africa
Status:	Closure requested
Priority:	High
Target date:	Not applicable

212. The South Africa country office has now established a recovery site and developed a memorandum of understanding, as recommended by the Board. UNDP considers this recommendation to have been implemented and requests its closure by the Board.

213. **In paragraph 148 of the report, UNDP agreed with the Board's recommendation that it ensure that the Malawi country office: (a) establish a documented agreement with the other United Nations agency for the provision of the off-site facility; and (b) store off-site the infrastructural documentation, administrative credentials for all critical ICT systems and the software required for recovery procedures with its licence keys.**

Department responsible:	Regional Bureau for Africa
Status:	Closure requested
Priority:	High
Target date:	Not applicable

214. The Malawi country office has implemented this recommendation and requests its closure by the Board.

215. **In paragraph 151 of the report, UNDP agreed with the Board's recommendation that the South Africa country office: (a) update the ICT workplan to include important key items like timelines and assigned activities to staff; and (b) perform periodic reviews and monitoring on the implementation of the ICT workplan.**

Department responsible:	Regional Bureau for Africa
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

216. The South Africa country office has updated its ICT workplan and will be conducting periodic reviews, as recommended by the Board.

217. **In paragraph 156 of its report, the Board recommended that the UNDP country offices in Turkey, Turkmenistan and South Africa consider introducing**

a mechanism to receive and record ICT support requests in accordance with the requirements of the Information Technology Infrastructure Library.

Departments responsible:	Regional Bureau for Africa and Regional Bureau for Europe and the Commonwealth of Independent States
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

218. While UNDP often follows industry standards, such as the Information Technology Infrastructure Library, it is not bound by them. Nevertheless, UNDP is considering this recommendation.

219. **In paragraph 160 of the report, UNDP agreed with the Board's recommendation that it ensure that the South Africa country office established a backup Internet link and increased Internet bandwidth.**

Department responsible:	Regional Bureau for Africa
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

220. The South Africa country office is in the process of establishing a backup Internet link and increasing its Internet bandwidth.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

221. In annex I to its report for the year ended 31 December 2017 (A/73/5/Add.1 and A/73/5/Add.1/Corr.1, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 18 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in annex I.

222. Table 9 summarizes the overall situation as of August 2018.

Table 9
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Executive Office	1	–	–	1	1	–
Multi-Partner Trust Fund Office	1	–	–	1	1	–
Office of Financial Resources Management	2	–	1	1	1	–
Office of Human Resources	2	–	–	2	2	–
Regional bureaux	2	–	–	2	2	–
Multiple offices	10	–	5	5	5	–
Total	**18**	–	**6**	**12**	**12**	–

Report of the Board for the year ended 31 December 2016[10]

223. **In paragraph 29 of its report, the Board recommended that UNDP, in consultation with the actuary: (a) determine the threshold for significant change in the population of the after-service health insurance enrolment records which would require performance of a full census of staff for the valuation of after-service health insurance liability at year-end; and (b) include in the actuarial report the estimated change in population as a part of the key information.**

Department responsible:	Office of Financial Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

224. Part (a) of this recommendation has been determined by the Board to have been implemented. With regard to part (b), a full estimation of the change in population is a non-standard requirement that is applied only in roll-forward years. The information will be available in the next actuarial report for 2018, which is scheduled to be issued in February 2019.

225. **In paragraph 39 of its report, the Board recommended that UNDP ensure that the Honduras and Bangladesh country offices: (a) continued to liaise with implementing partner counterparts so that those offices fully owned the United Nations Development Assistance Framework process and thereby facilitated timely Development Assistance Framework implementation, annual reviews and progress reviews; and (b) considered adopting strategies to enable the United Nations Development Assistance Framework annual reviews and progress reports in the next programme cycle to be completed on time.**

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[10] A/72/5/Add.1, chap. II.

Departments responsible: Regional Bureau for Asia and the Pacific and Regional Bureau for Latin America and the Caribbean

Status: In progress

Priority: High

Target date: First quarter of 2019

226. While the Board noted the progress made in the Honduras and Bangladesh country offices, it identified similar issues in different country offices (Egypt, Paraguay and South Africa) in paragraph 24 of its report for the year ended 31 December 2017 (A/73/5/Add.1 and A/73/5/Add.1/Corr.1, chap. II). The Egypt and South Africa country offices continue to liaise with their counterparts regarding their participation in the United Nations Development Assistance Framework/strategic cooperation framework road map.

227. **In paragraph 44 of its report, the Board recommended that UNDP: (a) introduce a clause in the cooperation agreements on the communication obligations of all parties involved in programme implementation, including measures for motivating implementation of those obligations; and (b) increase follow-up with counterparts to ensure that appropriate measures were taken to address the recurrence of delayed certification of combined delivery reports by both UNDP and implementing partners.**

Departments responsible: Office of Financial Resources Management and regional bureaux

Status: In progress

Priority: High

Target date: First quarter of 2019

228. Part (a) of this recommendation has been determined by the Board to have been implemented. With regard to part (b), the Board identified similar issues in other country offices, leading to the recommendation in paragraph 35 of its report for the year ended 31 December 2017. UNDP has issued a policy for the certification of combined delivery reports in case of non-responses by implementing partners and will monitor compliance with the policy accordingly.

229. **In paragraph 51 of its report, the Board recommended that UNDP ensure: (a) timely review and updating of project risk, issue and monitoring logs and document this in Atlas as the primary source of project information; and (b) that project boards conducted regular meetings as a means of continuously monitoring project implementation.**

Departments responsible: Bureau for Policy and Programme Support and regional bureaux

Status: Closure requested

Priority: High

Target date: Not applicable

230. The Board recognized the efforts made by UNDP at the corporate level in this regard, particularly the introduction of the quality assurance tools. However, the

Board noted similar issues, leading to the recommendation in paragraph 41 of its report for the year ended 31 December 2017. UNDP continues to monitor compliance by its country offices with the requirements through its annual project quality analysis process. UNDP considers this recommendation to have been implemented and requests its closure by the Board.

231. **In paragraph 69 of the report, UNDP agreed with the Board's recommendation that it: (a) take proactive measures to ensure that all operationally closed projects were financially closed within 12 months, in accordance with the Programme and Operations Policies and Procedures, which would entail obtaining in a timely manner donors' approvals on refunds or reprogramming of unspent amounts; and thoroughly review and effect all transactions related to projects before they were financially closed; and (b) ensure that all asset balances were cleared before projects were financially closed.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

232. While UNDP has invested significant resources and made progress in reducing the number of expired projects in 2017, it should be noted that the timely closure of projects is not always under the control of UNDP. Nevertheless, UNDP will continue in its efforts and make further investments in systems and tools in order to fully implement this recommendation.

233. **In paragraph 77 of the report, UNDP agreed with the Board's recommendation that it: (a) review the basis, criteria and guidelines used for determining the percentage of administrative agent fees apportioned to central services; and (b) also review the Multi-Partner Trust Fund Office policy (on administrative agent fee income) and the justification for the basis and criteria for apportioning the administrative agent fees between the Trust Fund Office and UNDP country offices that had received a delegation of authority from the Trust Fund Office Executive Coordinator.**

Department responsible:	Executive Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

234. With regard to part (a) of this recommendation, UNDP has developed a full-cost methodology that is applicable to services provided to the Multi-Partner Trust Fund Office, which will be implemented by December 2018. With regard to part (b), the Multi-Partner Trust Fund Office communicated to all offices in November 2017 about its decision to recentralize all administrative agent functions and informed all UNDP country offices concerned that, as at 31 December 2017, the existing delegations of authority had been revoked. Because of this policy decision, which was effective 1 January 2018, there is no justification for any further apportionment of administrative agent fees to UNDP country offices, and therefore this part of the recommendation has been overtaken by events.

235. **In paragraph 82 of its report, the Board recommended that the Bangladesh, Honduras and Uruguay country offices: (a) liaise with other United Nations agencies using the harmonized approach to cash transfers to resolve the challenges noted and prepare joint harmonized approach to cash transfers assurance plans for shared implementation partners; and (b) ensure that those assurance plans were both endorsed by the country representatives and implemented.**

Departments responsible:	Office of Financial Resources Management and regional bureaux
Status:	Closure requested
Priority:	High
Target date:	Not applicable

236. Joint harmonized approach to cash transfers assurance plans have been prepared and endorsed by the country representatives of the Bangladesh, Honduras and Uruguay country offices, and therefore UNDP requests the closure of this recommendation by the Board.

237. **In paragraph 101 of its report, the Board recommended that UNDP strengthen reviews and monitoring of the purchase orders and accounts payable to ensure that: (a) expenses recorded in the general ledger, commitment control and projects were accurate, complete and recorded in the correct accounting period; and (b) pending transactions (i.e., purchase orders, vouchers and general ledger journal entries with an accounting date on or before the last day of the month being closed) were cleared in accordance with year-end closure instructions.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

238. While substantial progress on this recommendation has been achieved and has been acknowledged by the Board, sustained efforts and more time are needed to fully implement the recommendation. UNDP hopes that the efforts it has made will lead to further improvements.

239. **In paragraph 107 of its report, the Board recommended that UNDP ensure that future service contract evaluations were completed on time, ideally one month prior to the contract's expiration, pursuant to policy, so as to provide offices with a reasonable amount of time for decision-making.**

Departments responsible:	Office of Human Resources, central bureaux and regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

240. UNDP has made progress in implementing this recommendation. The Office of Human Resources has sent a reminder to human resources practitioners regarding the requirement to complete service contract evaluations on time with a "frequently asked questions" note attached. However, in paragraph 88 of its report for the year ended 31 December 2017, the Board noted similar issues in the Malawi, Paraguay and South Africa country offices. Those country offices are stepping up their efforts to ensure that evaluations of service contracts are carried out on time.

241. **In paragraph 111 of its report, the Board recommended that UNDP consider updating and enforcing the human resources policy to restrict the number of years during which a person could serve under a service contract, after which time a post should be established and filled by a person on a fixed-term appointment.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

242. The UNDP Office of Human Resources is conducting a review of the contractual framework and modalities for local service contracts.

243. **In paragraph 116 of its report, the Board recommended that UNDP ensure that all staff members completed mandatory training courses on time.**

Department responsible:	Office of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

244. The Board acknowledged the efforts made by the Office of Human Resources in: ensuring that mandatory training courses are available to staff members on demand; tracking completion rates; and trouble-shooting problems that staff members may have in completing the course. However, the Board noted similar issues in other country offices, leading to the recommendation in paragraph 97 of its report for the year ended 31 December 2017. UNDP is planning to review on an annual basis compliance with the completion of mandatory training courses by its staff members and to send reminders to offices with low completion rates.

245. **In paragraph 120 of the report, UNDP agreed with the Board's recommendation that it introduce a schedule that ensured easy reconciliation of the differences in respect of individual asset additions between the note in the financial statements on property, plant and equipment; and the in-service report.**

Departments responsible:	Office of Sourcing and Operations and Office of Information Management and Technology
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

246. Pursuant to the Board's recommendation, the Office of Sourcing and Operations prepared a business requirements document and initiated a project with the Office of Information Management and Technology. However, as the extremely large volume of property, plant and equipment general ledger data cannot be processed by the UNDP Atlas system, the organization is continuing to explore an appropriate digital solution.

Report of the Board for the year ended 31 December 2015[11]

247. **In paragraph 35 of the report, UNDP agreed with the Board's recommendation that it ensure that operating units: (a) prepared accounts payable vouchers before the deadline, as stipulated in the year-end closure instructions, so as to liquidate corresponding aged prepayments; and (b) regularly monitored and performed prepayment spot checks so as to verify and clear aged prepayments in a timely manner.**

Department responsible:	Office of Financial Resources Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

248. UNDP notes that a related recommendation in paragraph 20 of the Board's report for the year ended 31 December 2016 (A/72/5/Add.1, chap. II) has been determined by the Board to have been implemented, and therefore UNDP has requested the closure of this recommendation by the Board.

249. **In paragraph 41 of the report, UNDP agreed with the Board's recommendation that: (a) in future, UNDP plan ahead on the changes needed in project settings, such as the rates of the general management support fee, to minimize delays in signing quarterly combined delivery reports; (b) it submit the combined delivery reports in a timely manner, duly signed by UNDP and implementing partners, in compliance with the Programme and Operations Policies and Procedures; and (c) it liaise with implementing partners on their accountability regarding the timely signing of combined delivery reports when delays were encountered.**

Departments responsible:	Office of Financial Resources Management and regional bureaux
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

250. This recommendation was reiterated in paragraph 44 of the Board's report for the year ended 31 December 2016 (A/72/5/Add.1, chap. II) and paragraph 35 of the Board's report for the year ended 31 December 2017 (A/73/5/Add.1 and A/73/5/Add.1/Corr.1, chap. II). UNDP is continuing its consultations with implementing partners in order to improve the timeliness of the combined delivery reports.

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[11] A/71/5/Add.1, chap. II.

251. **In paragraph 72 of the report, UNDP agreed with the Board's recommendations that it: (a) enhance and document the follow-up mechanisms, including feedback from all delayed participating organizations, for future improvements; (b) introduce measures to accelerate operational and financial closure of all overdue projects; and (c) as the largest United Nations fund administration service provider, propose the idea of common policies and procedures around inter-agency pooled funding mechanisms to harmonize practices so as to enhance accuracy in reporting and timing of the issuing of reports.**

Department responsible:	Multi-Partner Trust Fund Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

252. Parts (a) and (b) of this recommendation have been determined to be in progress by the Board, which acknowledged the follow-up efforts that UNDP is making to accelerate the closure of its projects. Part (c) of the recommendation has been withdrawn by the Board, which noted that it was not easy for UNDP to influence the implementation of common policies and procedures around inter-agency pooled funding mechanisms.

253. **In paragraph 91 of the report, UNDP agreed with the Board's recommendation that it: (a) strengthen controls in reviewing the harmonized approach to cash transfers microassessment plan for completeness and accuracy; (b) prioritize the microassessment activities for implementing partners, based on an assessment plan; and (c) monitor implementation and conduct an annual update of the assessment plan.**

Departments responsible:	Office of Financial Resources Management and regional bureaux
Status:	Closure requested
Priority:	High
Target date:	Not applicable

254. This recommendation was reiterated by the Board in paragraph 82 of its report for the year ended 31 December 2016 (A/72/5/Add.1, chap. II). Since the joint harmonized approach to cash transfers assurance plans have been prepared and endorsed by the country representatives concerned, UNDP requests the closure of the recommendation.

255. **In paragraph 98 of the report, UNDP agreed with the Board's recommendation that it ensure that country offices: (a) prepared the complete set of assurance activities under the harmonized approach to cash transfers plan in line with the harmonized approach template and included all of the required information; (b) conducted all assurance activities as planned; and (c) monitored and improved annual assurance plans on the basis of the lessons learned from the harmonized approach transitional assurance activity plans of 30 April 2015.**

Departments responsible:	Office of Financial Resources Management and regional bureaux
Status:	Closure requested
Priority:	High
Target date:	Not applicable

256. This recommendation was reiterated by the Board in paragraph 82 of its report for the year ended 31 December 2016. Since the joint harmonized approach to cash transfers assurance plans have been prepared and endorsed by the country representatives concerned, UNDP requests the closure of the recommendation.

257. **In paragraph 138 of the report, UNDP agreed with the Board's recommendation that it: (a) provide regular updates on the non-Atlas procurement indicators for greater accuracy, completeness and reliability of information; (b) ensure that requesters at country offices input reasonable delivery due dates in the e-requisition in such a way as to reduce the workload of data clean-up of delivery dates for purchase orders indicated in red in the IPSAS dashboard; and (c) enhance follow-up with vendors so that goods or services were delivered within the scheduled period.**

Departments responsible:	Procurement Services Unit and regional bureaux
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

258. Parts (b) and (c) of this recommendation have been determined by the Board to have been implemented, owing to the significant decline in the number of purchase orders with delivery delays. With regard to part (a), a similar issue was raised in the recommendation in paragraph 97 of the Board's report for the year ended 31 December 2016 (A/72/5/Add.1, chap. II), which has been determined by the Board to have been implemented. UNDP has therefore requested the closure of the recommendation.

V. United Nations Capital Development Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[12]

259. Table 10 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

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[12] A/73/5/Add.2, chap. II.

Table 10
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Evaluation Unit	1	–	–	1	1	–
Management Support Unit	2	–	–	2	2	–
Total	**3**	**–**	**–**	**3**	**3**	**–**

260. Table 11 summarizes the status of implementation of all recommendations of the Board as of August 2018.

Table 11
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date set*
Evaluation Unit	1	–	–	1	1	–
Management Support Unit	3	–	–	3	3	–
Multiple offices	3	–	–	3	3	–
Total	**7**	**–**	**–**	**7**	**7**	**–**

261. **In paragraph 26 of its report, the Board recommended that the United Nations Capital Development Fund (UNCDF): (a) perform midterm and final evaluations of its programmes in a timely manner as required by the Evaluation Policy; (b) ensure the update and upload of management responses to the Evaluation Resource Centre for the part of the evaluation related to the work of UNCDF on time and in compliance with the Programme and Operations Policies and Procedures; and (c) ensure that changes in the evaluation plans were reflected on a timely basis in the Evaluation Resource Centre.**

Department responsible:	Evaluation Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

262. UNCDF agrees with this recommendation and is taking steps to implement it.

263. **In paragraph 32 of its report, the Board recommended that UNCDF liaise with UNDP to ensure that global communications and instructions were sent to UNCDF country offices in a timely manner when there were changes in policies.**

Department responsible:	Management Support Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

264. UNCDF is liaising with UNDP to determine a communication protocol.

265. **In paragraph 33 of its report, the Board recommended that UNCDF specify which Programme and Operations Policies and Procedures were applicable to it and which ones were not applicable in order to avoid arbitrary decisions on the applicability of the Policies and Procedures.**

Department responsible:	Management Support Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

266. UNCDF agrees with this recommendation and is taking steps to implement it.

267. **In paragraph 40 of its report, the Board recommended that UNCDF ensure that changes in the budget and expenditure were done through annual workplans and approved by the project boards.**

Departments responsible:	Local development practice area and financial inclusion practice area
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

268. UNCDF agrees with this recommendation and would like to emphasize that, where necessary, budgets were adjusted through approved annual workplans.

269. **In paragraph 43 of its report, the Board recommended that UNCDF establish an efficient mechanism to ensure that all operationally closed projects were financially closed within 12 months and that no adjustments were allowed to a financially closed project unless the amount was significant, as provided in the Programme and Operations Policies and Procedures.**

Departments responsible:	Local development practice area and financial inclusion practice area
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

270. UNCDF agrees with this recommendation and is taking steps to implement it.

271. **In paragraph 47 of its report, the Board recommended that UNCDF ensure that the risk, issue and monitoring logs for all projects in Nepal and Myanmar were activated in Atlas in a timely manner as the primary source of project information.**

Departments responsible: Local development practice area and financial inclusion practice area

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

272. UNCDF agrees with this recommendation and is taking steps to ensure that the risk, issue and monitoring logs for all projects in Nepal and Myanmar are activated in Atlas or in a separate dedicated system.

273. **In paragraph 52 of its report, the Board recommended that UNCDF document its process and specify in its policy guidelines how the annual review of useful lives of assets should be performed.**

Department responsible: Management Support Unit

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

274. UNCDF agrees with this recommendation and is taking steps to implement it.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

275. In annex I to its report for the year ended 31 December 2017 (A/73/5/Add.2, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. Information is provided below on the three recommendations listed as outstanding from prior periods. The information is set out in the order in which the recommendations are presented in annex I.

Table 12
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Least Developed Countries Investment Platform Unit	1	–	1	–	–	–
Multiple offices	1	–	–	1	1	–
Total	**2**	–	**1**	**1**	**1**	–

Report of the Board for the year ended 31 December 2016[13]

276. **In paragraph 33 of the report, UNCDF agreed with the Board's recommendation that it ensure that the risk, issue and monitoring logs for all**

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[13] A/72/5/Add.2, chap. II.

projects in the Rwanda and Bangladesh country offices were activated in Atlas in a timely manner as the primary source of project information.

Departments responsible:	Local development practice area, financial inclusion practice area and Programme Management Support Unit
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

277. UNCDF is taking steps to ensure compliance in updating the above-mentioned information in Atlas.

278. **In paragraph 43 of its report, the Board recommended that UNCDF: (a) update the loan policy to remove the reference to PamiraBanker as the entity's loan management system; and (b) document system requirement specifications, taking into consideration the need for integration with Atlas, to be used as a baseline for acquiring the new loan management system.**

Department responsible:	Least Developed Countries Investment Platform Unit
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

279. UNCDF updated the loan policy to remove the reference to PamiraBanker as the entity's loan management system and documented system requirements with specifications, as recommended by the Board. UNCDF considers this recommendation to have been implemented and requests its closure by the Board.

VI. United Nations Children's Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[14]

280. Table 13 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

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[14] A/73/5/Add.3, chap. II.

Table 13
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Financial and Administrative Management	3	–	–	3	3	–
Field Results Group	1	–	1	–	–	–
Programme Division	1	–	1	–	–	–
Supply Division	1	–	–	1	1	–
Multiple offices	1	–	–	1	1	–
Total	**7**	**–**	**2**	**5**	**5**	**–**

281. Table 14 summarizes the status of implementation of all recommendations of the Board as of August 2018.

Table 14
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Afghanistan country office	1	–	1	–	–	–
Division of Financial and Administrative Management	10	–	1	9	9	–
Division of Human Resources	2	–	–	2	1	1
Field Results Group	1	–	1	–	–	–
Public Partnerships Division	2	–	–	2	2	–
Private Fundraising and Partnerships Division	3	–	2	1	1	–
Programme Division	1	–	1	–	–	–
Sri Lanka country office	1	–	1	–	–	–
Supply Division	9	–	2	7	7	–
West and Central Africa Regional Office	2	–	–	2	2	–
Multiple offices	4	–	2	2	2	–
Total	**36**	**–**	**11**	**25**	**24**	**1**

282. **In paragraph 15 of its report, the Board recommended that the United Nations Children's Fund (UNICEF) review all multi-year donor agreements and decide whether their stipulations satisfied the criteria of a condition.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

283. UNICEF continues to review contribution agreements as grants are created and to develop a documented mechanism for identifying exceptions and agreements with potential conditions for revenue recognition.

284. **In paragraph 19 of its report, the Board recommended that UNICEF suitably disclose its accounting policy for recognition of in-kind revenue.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

285. For 2017, all in-kind contributions were recognized and disclosed in the financial statements on the basis of receipt, which is the most common approach. UNICEF considers such disclosure to be in line with IPSAS requirements. UNICEF will, however, revisit the IPSAS policy position and the policy disclosure in the notes to the financial statements for the year ending 31 December 2018.

286. **In paragraph 21 of its report, the Board recommended that UNICEF disclose the net assets of institutional and regular resource programme segments as distinct segments.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

287. The institutional budget of UNICEF is an allocation of its regular resource funds to cover institutional costs and any unused funds returned to regular resources. UNICEF combined the net assets of institutional and regular resource programme segments and disclosed them under the institutional segment. UNICEF agrees to move the combined figures to the regular resource segment, but it may be inappropriate for them to be shown separately.

288. **In paragraph 28 of its report, the Board recommended that UNICEF depict contributions receivable at their fair value in compliance with IPSAS.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

289. UNICEF continues to monitor the impact of the discounting of receivables on an annual basis and to make adjustments when that impact is considered material. UNICEF will put in place a clear materiality framework that will guide the reviews conducted by management on this matter.

290. **In paragraph 37 of its report, the Board recommended that UNICEF explain the material differences between the actual amounts and budgeted amounts in the financial statements in accordance with the requirement of IPSAS.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

291. UNICEF provided a variance analysis in chapter IV of the financial statements, in the section entitled "Financial statement discussion and analysis". This disclosure is in line with the applicable IPSAS standard. UNICEF is, however, making arrangements to provide supplementary explanations for material differences between actual amounts and budgeted amounts in its 2018 financial statements.

292. **In paragraph 48 of its report, the Board recommended that UNICEF review and ensure compliance with the internal control mechanism in the travel management and related processes.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

293. UNICEF anticipates improved compliance with the internal control mechanism globally, based on the implementation of new certification measures that include three functionalities enhanced in the VISION system, as follows: (a) a formal warning mechanism for staff having more than two trips open; (b) automated reminders for open travel authorizations; and (c) a "hard stop" (i.e., an automatic control that would not allow the system to process any further travel authorizations) on new travel authorizations when more than three authorizations are already open. UNICEF also plans to enhance required system changes to improve other internal control mechanisms related to travel.

294. **In paragraph 49 of its report, the Board recommended that UNICEF make travellers and managers aware about their duties and roles as envisaged in the travel policy.**

Department responsible:	Division of Financial and Administrative Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

295. UNICEF sends global broadcast messages to serve as reminders to staff of their responsibility to comply with the travel policy. In addition, there are ongoing training

sessions for staff responsible for managing travel, in order to improve compliance rates. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

296. **In paragraph 50 of its report, the Board recommended that UNICEF review its policy of releasing 100 per cent of daily subsistence allowance and expensing it on the creation of a trip.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: First quarter of 2019

297. UNICEF is reviewing its policy on the release of 100 per cent of the daily subsistence allowance. UNICEF is planning that for non-staff, the policy will be updated to advance only 80 per cent of the daily subsistence allowance. For staff, emphasis will be placed on the completion by travellers of their trip certifications within the compliance period, with those failing to do so risking the deduction of travel advances from their salary.

298. **In paragraph 55 of its report, the Board recommended that UNICEF get a verification of compatibility and customization process of VISION, including the travel management functionality, done.**

Departments responsible: Information and Communication Technology Division and Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

299. UNICEF observes rigorous application development and life-cycle standards in every instance of solutions management and delivery. In this regard, tightly controlled and applied applications development processes are carried out. In 2016, UNICEF engaged an external consultancy organization that conducted a partial review of custom-developed systems in preparation for future improvements to such systems. The code review exercise provided useful inputs for actions that have been incorporated into the ongoing enhancement of the UNICEF Systems Applications and Products (SAP) solution landscape.

300. UNICEF does not believe that completing a verification of compatibility and customization process with respect to VISION will add value, since such a process was recently conducted, in 2016. However, the elements listed in the Board's audit findings on the travel process will be resolved through enhancements to the system and training for users. In this regard, UNICEF is planning to make the required enhancements to the travel management system after the ongoing upgrades to the SAP system have been completed.

301. **In paragraph 61 of its report, the Board recommended that UNICEF complete the review of the user access management guide and the segregation of duties rules and update them in a time-bound manner.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

302. UNICEF is working on the updates of the user access management guide and the segregation of duties rules.

303. **In paragraph 62 of its report, the Board recommended that UNICEF update the segregation of duties violation report to reflect the mitigation of segregation of duties conflict by the Global Shared Service Centre process and to incorporate transaction-level monitoring.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

304. UNICEF is updating the segregation of duties violation report and is planning to incorporate transaction-level monitoring, as recommended by the Board.

305. **In paragraph 77 of its report, the Board recommended that UNICEF ensure compliance with the procedures for hiring consultants.**

Department responsible: Division of Human Resources

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

306. In July 2018, the Division of Human Resources issued revised procedures to further strengthen the management of consultants and individual contractors, which continues to be decentralized. The new procedures provide greater clarity to ensure a common understanding and compliance among offices. The Division will remind offices on a regular basis to ensure compliance with the procedures.

307. **In paragraph 78 of its report, the Board recommended that UNICEF ensure that VISION was updated with the latest information and all supporting documents were uploaded on a real-time basis.**

Department responsible: Division of Human Resources

Status: in progress

Priority: Medium

Target date: Ongoing

308. UNICEF notes that, owing to the varied contexts in which it operates, its offices will continue to keep documents both physically and electronically, in accordance with its document retention policy and guidelines. The Division of Human Resources issued revised procedures in July 2018 to further strengthen the management of consultants and individual contractors. UNICEF will continue to support offices in strengthening their knowledge of this policy and will also provide guidance to offices in the implementation of and compliance with the applicable procedures, including those on the retention of supporting documents.

309. **In paragraph 89 of its report, the Board recommended that UNICEF periodically interact with, guide and direct National Committees that were consistently delaying submission of audited financial statements and certified final revenue and expenditure reports.**

Department responsible:	Private Fundraising Partnerships Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

310. UNICEF is in regular communication with the National Committees on a variety of topics, including the timely submission of audited financial statements and certified final revenue and expenditure reports. The National Committees are independent organizations set up at the country level to raise funds to finance the activities of UNICEF, and the submission of their audited financial statements is contingent on the approval of their respective boards. UNICEF management is satisfied that an adequate number of reports are received in time to meet the organizational goal of the timely closure of accounts. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

311. **In paragraph 92 of its report, the Board recommended that UNICEF engage with the National Committees for appropriate management of their investments and review their investment policies.**

Department responsible:	Private Fundraising Partnerships Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

312. UNICEF is reviewing the investment policies of the National Committees.

313. **In paragraph 104 of its report, the Board recommended that UNICEF analyse the reasons for low contributions and then formulate an appropriate strategy to enhance the level of contributions from potentially important income channels such as corporate donors.**

Department responsible:	Private Fundraising Partnerships Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

314. The comments of UNICEF are reflected in paragraph 105 of the Board's report.

315. **In paragraph 110 of its report, the Board recommended that UNICEF further strengthen its efforts in fundraising activities to get the desired response from donors to handle emergency situations.**

Departments responsible:	Public Partnerships Division and Private Fundraising Partnerships Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

316. UNICEF continues to make efforts to mobilize resources for emergency purposes, which include: maintaining strong relations with donors; attending international meetings and humanitarian summits to strengthen networking and advocacy; and press releases and communication initiatives to sensitize public and private audiences with regard to emergencies. Appeals are based on the stated needs in country and regional contexts and are aligned with the inter-agency assessment and planning processes.

317. **In paragraph 116 of its report, the Board recommended that UNICEF strengthen the mechanism for monitoring donor reports and ensure timely submission of all donor reports.**

Department responsible:	Public Partnerships Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

318. UNICEF is continuing to strengthen its monitoring of donor reports in order to improve their timeliness and quality.

319. **In paragraph 117 of its report, the Board recommended that UNICEF update information on submission of donor reports in VISION.**

Department responsible:	Public Partnerships Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

320. UNICEF is rolling out a new donor reporting portal, which will increase the visibility of the reports to donors, simplify their review and clearance process and contribute to their timely submission to donors.

321. **In paragraph 131 of its report, the Board recommended that UNICEF review and strengthen the internal control and monitoring system over cash transfers to implementing partners and fully adhere to the laid-down policy for these cash transfers.**

Department responsible:	Field Results Group
Status:	Closure requested
Priority:	High
Target date:	Not applicable

322. In August 2018, UNICEF issued a revised procedure on a harmonized approach to cash transfers to implementing partners, specifying the roles and responsibilities relating to the management of cash transfers to implementing partners. Enhancements were made to the systems, management reports and dashboards related to implementing partners in order to enforce compliance with the procedural requirements and to enable the management in country and regional offices and headquarters to provide effective monitoring and oversight. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

323. **In paragraph 144 of its report, the Board recommended that UNICEF update the vendor database with the results of evaluations/re-evaluations and the recommendations of the Vendor Review Committee on a real-time basis.**

Department responsible:	Supply Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

324. UNICEF updates the vendor database on a real-time basis, and its policies on vendor evaluation and review include a provision allowing for the Director of the Supply Division to approve waivers to allow procurement from blocked vendors in exceptional circumstances due to exigencies and other strategic organizational needs. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

325. **In paragraph 150 of its report, the Board recommended that UNICEF country offices claim and actively pursue the value-added tax (VAT) refunds due.**

Departments responsible:	Sri Lanka and Ghana country offices
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

326. UNICEF continues to utilize the tax and duty exemptions available to it as much as possible to avoid the payment of taxes such as VAT. However, as exemptions are not always possible, any VAT payments made are subsequently claimed from the relevant government authorities. Noting that this recommendation was made in relation to observations in the Sri Lanka and Ghana country offices, UNICEF is pleased to report that the Sri Lanka country office had recovered $12,883 as of March 2018 and the Ghana country office had recovered $94,140 as of July 2018. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

327. **In paragraph 159 of its report, the Board recommended that UNICEF follow the timeline for release of pharmaceutical and other stock from restricted to unrestricted stock after required quality checks.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

328. The Supply Division reviewed the process for the quality assurance and release of pharmaceutical and other stock materials into warehouse inventory and identified areas for further review and enhancement. As a result, UNICEF has initiated a significant enhancement through the development of a dashboard that will facilitate effective monitoring of the arrival, quality assurance and release of stock materials into the warehouse.

329. **In paragraph 172 of its report, the Board recommended that UNICEF prescribe a definite timeline for closure of contracts and also frame specific key performance indicators for monitoring closure of contracts.**

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

330. The prescription of a definite time frame for the closure of contracts may not be feasible, as the timing of such closure varies depending on circumstances and may also be contingent on factors external to UNICEF. However, UNICEF is continuing to improve the timeliness of the closure of contracts, and reminders will be sent to all contract owners on a quarterly basis requesting them to close completed contracts that remain open in the system. UNICEF is also establishing a key performance indicator for monitoring the closure of contracts and will revisit the policy on contracts, requiring the performance evaluation of the contractors.

331. **In paragraph 173 of its report, the Board recommended that UNICEF analyse the reasons for negative balances in contracts for which the validity period had expired and take suitable action to address the issue.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

332. UNICEF has analysed the reasons for contracts with negative balances in the supply dashboard and initiated the process of revising and correcting the dashboard in order to reflect accurate contract balances.

333. **In paragraph 179 of its report, the Board recommended that UNICEF country offices levy liquidated damages against suppliers who failed to meet the supply timeline.**

Departments responsible:	Sri Lanka and Afghanistan country offices
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

334. The Afghanistan country office has implemented a process whereby all overdue procurement activities are reviewed and a "note for the record" is initiated for explicit approval by management in exceptional circumstances in which liquidated damages are not deemed to be an acceptable course of action. The Sri Lanka country office has implemented regular monitoring of open purchase orders and contracts, including the monitoring of late deliveries of goods and services on a weekly basis. In cases of delay, the office works with suppliers to understand the reasons for late deliveries and documents the appropriate action. The cases of delays and recommended actions are approved by management, and, in cases in which liquidated damages are imposed, a letter of unsatisfactory performance is issued to the supplier and the supplier's profile is updated accordingly. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

335. **In paragraph 183 of its report, the Board recommended that UNICEF country offices ensure that the procurement procedure related to emergency supplies was completed and supplies delivered within the stipulated timelines.**

Department responsible:	Sri Lanka country office
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

336. The emergency supplies referred to by the Board had an unusually long procurement period owing to extensive discussions between UNICEF and government counterparts, which were required to identify the right needs and specifications in the evaluation of the quoted products. Nevertheless, improvements have been made, including the establishment of: (a) an emergency supply plan within the emergency preparedness platform; (b) long-term agreements for the most critical supplies and services; and (c) a qualified vendor list for the local procurement of potential emergency supplies. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

337. **In paragraph 190 of its report, the Board reiterated its recommendation (see A/72/5/Add.3, para. 159) that UNICEF review cases of delay and take appropriate action in accordance with the terms and conditions of the contract to ensure timely delivery.**

Department responsible:	Supply Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

338. UNICEF has taken significant actions to implement this recommendation. The Supply Division conducts regular follow-ups on the reasons for delayed deliveries. A

weekly follow-up is conducted for critical deliveries, while monthly and quarterly follow-ups are carried out for all other orders by the procurement centres and management, respectively.

339. In addition, the Supply Division has launched monitoring tools in the InSight system. Those tools include a system alert that identifies orders with upcoming delivery dates as well as delayed deliveries, thereby allowing the proactive identification of bottlenecks and follow-up with suppliers and freight forwarders accordingly. UNICEF noted improvements in the timeliness of deliveries over the past four years, and therefore it considers this recommendation to have been implemented and requests its closure by the Board.

340. **In paragraph 197 of its report, the Board recommended that UNICEF, the regional offices and the Supply Division identify countries where vaccine arrival reports were regularly delayed and formulate country-specific strategies for monitoring timely receipt of vaccine arrival reports.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

341. UNICEF would like to highlight the improvements achieved in recent years with respect to the timely receipt of vaccine arrival reports. Those improvements have resulted from the clear identification of the roles and responsibilities and strengthened policy guidance set out in the Supply Manual regarding the timely inspection of vaccines and the completion and submission of the vaccine arrival reports, as well as from the development of a mobile application to facilitate the completion and submission of vaccine arrival reports. UNICEF is developing country-specific strategies, as recommended by the Board.

342. **In paragraph 206 of its report, the Board reiterated its recommendation (see A/72/5/Add.3, para. 184) that UNICEF identify reasons for detention of containers for long periods and provide guidance to the country and regional offices to reduce container detention time, and further recommended that the Supply Division expedite the analysis of the root causes for the detention of containers, which affected the efficacy of supply chain management functions.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

343. UNICEF completed an analysis of the root causes for the detention of containers and is developing guidance for country and regional offices to help reduce detention time. In addition, UNICEF has developed a reporting mechanism to facilitate continuous review by management of container movements on a global basis.

344. **In paragraph 213 of its report, the Board recommended that UNICEF clearly link the Strategic Plan and the annual workplan during the operationalization of the UNICEF Strategic Plan 2018–2021.**

Department responsible: Programme Division

Status: Closure requested

Priority: High

Target date: Not applicable

345. UNICEF developed a new office management plan for the Programme Division, which is aligned with the UNICEF Strategic Plan 2018–2021. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

346. **In paragraph 220 of its report, the Board recommended that the Afghanistan country office involve third-party monitoring to get an assurance on the quality of work done under programmatic activities.**

Department responsible: Afghanistan country office

Status: Closure requested

Priority: Medium

Target date: Not applicable

347. The Afghanistan country office has augmented its programme monitoring mechanisms by establishing an additional modality under which third-party monitors may be recruited to gather programmatic data and evidence in the field. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

348. **In paragraph 229 of its report, the Board recommended that the Supply Division prescribe a specific timeline for closure of complaints.**

Department responsible: Supply Division

Status: In progress

Priority: Medium

Target date: First quarter of 2010

349. UNICEF is completing a study of average timelines between the dates when complaints are identified and when corrective actions are implemented. On the basis of that study, the divisional procedure on the management of complaints will be updated to include standard timelines for the closure of complaints.

350. **In paragraph 230 of its report, the Board recommended that the Supply Division review all open complaints, ensure timely implementation of corrective actions, prioritize handling of cases indicating financial loss and ensure timely closure of all complaints in the complaint system.**

Department responsible: Supply Division

Status: In progress

Priority: Medium

Target date: First quarter of 2019

351. UNICEF is systematically reviewing all open complaints to ensure the prioritization of those involving potential financial loss. Furthermore, this review will facilitate the timely closure of complaints in the system. UNICEF is also developing a new case management tool for recording and managing complaints, in order to further strengthen the systematic review of complaints.

352. **In paragraph 243 of its report, the Board recommended that the UNICEF Ghana and Burkina Faso country offices and the West and Central Africa Regional Office periodically review and expedite implementation of planned activities to ensure that the targets mentioned against the outcomes were achieved in time.**

Department responsible:	West and Central Africa Regional Office
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

353. The West and Central Africa Regional Office is periodically reviewing the implementation of planned activities to encourage the timely achievement of the targets mentioned against the outcomes.

354. **In paragraph 245 of its report, the Board recommended that the UNICEF Ghana and Burkina Faso country offices and the West and Central Africa Regional Office review the ratings of various outcomes/outputs and indicators so as to avoid discrepancies in ratings and to ensure that the users received a correct performance report.**

Department responsible:	West and Central Africa Regional Office
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

355. The UNICEF Field Results Group recently issued guidance on key performance indicator definitions and grading criteria that will further clarify and address any discrepancies in the ratings used by offices for various outcomes, outputs and indicators. The West and Central Africa Regional Office has also established a system for reviewing the results assessment module twice a year.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

356. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.3, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 30 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

357. Table 15 summarizes the overall situation as of August 2018.

Table 15

Status of implementation of recommendations from prior periods considered by the Board as not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Data, Research and Policy	1	–	1	–	–	–
Division of Financial and Administrative Management	11	–	3	8	7	1
Evaluation Office	2	–	–	2	2	–
Field Results Group	2	–	1	1	1	–
Global Shared Service Centre	1	–	1	–	–	–
Office of Internal Audit and Investigations	2	–	–	2	2	–
Private Fundraising and Partnerships Division	4	–	4	–	–	–
Programme Division	1	–	–	1	1	–
Supply Division	5	–	2	3	3	–
Multiple offices	1	–	–	1	1	–
Total	**30**	–	**12**	**18**	**17**	**1**

Report of the Board for the year ended 31 December 2013[15]

358. **In paragraph 69 of its report, the Board recommended that UNICEF require its country offices to apply fully justified budget assumptions in preparation for resource estimation with respect to activities set out in the multi-year/rolling workplans.**

Department responsible: Division of Financial Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

359. UNICEF is developing a new budget management tool aimed at streamlining and facilitating the resource estimation processes.

Report of the Board for the year ended 31 December 2014[16]

360. **In paragraph 69 of its report, the Board recommended that: (a) steps be taken to improve the completion rate of activities under the integrated monitoring and evaluation plan; (b) the country offices continue their efforts to ensure timely finalization of annual workplans and follow up release of funds to implementing partners; and (c) the system and procedure for timely preparation and submission of annual management plans to the regional offices be strengthened to improve the governance of country offices.**

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[15] A/69/5/Add.3, chap. II.

[16] A/70/5/Add.3, chap. II.

Department responsible: Evaluation Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

361. UNICEF is making progress on the implementation of this recommendation. A further refinement of the PRIME software platform is under way to integrate it with the Evaluation and Research Database and the Evaluation Management Response Tracking System for a comprehensive, integrated information system for planning, managing and reporting on monitoring and evaluation activities.

Report of the Board for the year ended 31 December 2015[17]

362. **In paragraph 14 of its report, the Board recommended that UNICEF: (a) consider consolidating at the corporate level an annual integrated budget containing figures from all the budgets approved by the Executive Board; and (b) include budgeted amounts for various activities under each outcome at the appropriate business unit level.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

363. UNICEF is in the process of rolling out a new budget management tool that will link resource utilization with outcome results.

364. **In paragraph 90 of its report, the Board recommended that UNICEF ensure that regional and country offices: (a) took the necessary steps to prepare realistic integrated monitoring and evaluation plans and improved their completion rate of activities; and (b) followed the procedure prescribed in the UNICEF Programme Policy and Procedure Manual with respect to the preparation and implementation of annual workplans and annual management plans in order to enable their timely execution.**

Department responsible: Evaluation Office

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

365. While UNICEF is actively implementing the PRIME software platform, a further refinement is under way to integrate it with the Evaluation and Research Database and the Evaluation Management Response Tracking System for a comprehensive, integrated information system for planning, managing and reporting on monitoring and evaluation activities.

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[17] A/71/5/Add.3, chap. II.

366. **In paragraph 105 of its report, the Board recommended that UNICEF: (a) consider putting in place a fund tracking system to establish links between planned and actual expenditure against the appropriate planning level (outcome, output, activity); (b) review the existing guidance and other resource material for their improvement and better utilization; and (c) align output indicators with focus areas and activities towards achievement of outputs under the outcome entitled "Education".**

Departments responsible: Division of Data, Research and Policy and Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

367. UNICEF is developing a new budget management tool, which will address this recommendation and ensure effective budget management and expenditure monitoring

368. **In paragraph 114 of its report, the Board recommended that the Supply Division follow up with country offices and third parties to review the causes of delay and make sincere efforts to ensure the timely receipt of vaccine arrival reports.**

Department responsible: Supply Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

369. UNICEF reviewed the existing guidance in conjunction with World Health Organization guidelines on the international packaging and shipping of vaccines. Guidance has been published on the timely submission of vaccine arrival reports to country offices. Performance indicators have been established to monitor the achievement of timely vaccine arrival reports. UNICEF is also developing country-specific strategies to support countries that continue to face challenges in the timely completion and submission of vaccine arrival reports.

Report of the Board for the year ended 31 December 2016[18]

370. **In paragraph 25 of its report, the Board recommended that UNICEF implement the guideline on identifying the operational costs that should be met from the programme budget and the institutional budget.**

Department responsible: Division of Financial and Administrative Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

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[18] A/72/5/Add.3, chap. II.

371. As part of its integrated budget planning process for the period 2018–2021, UNICEF ensured that appropriate assumptions were applied with regard to office structures and funding sources. The criteria for the review were based on the agreed-upon guidance approved by executive management. This is the first step towards a more comprehensive process of continuous review and consideration of post levels and structures to ensure that UNICEF has a coherent funding typology.

372. As a first step, UNICEF implemented the guidance and applied appropriate criteria and typology for post costs as part of its integrated budget for the period 2018–2021. A similar exercise is being carried out with respect to non-post costs.

373. **In paragraph 31 of its report, the Board recommended that UNICEF: (a) continue to provide necessary technical guidance and operational support to the National Committees so that all the National Committees implemented Joint Strategic Plans aligned with the UNICEF Strategic Plan; and (b) enhance its governance to achieve the targets of private sector fundraising.**

Department responsible: Private Fundraising and Partnerships Division

Status: Closure requested

Priority: Medium

Target date: Not applicable

374. UNICEF works closely with the National Committees to provide them with the necessary technical and operational support. Strong engagement between UNICEF and the National Committees during the annual review of the joint strategic plans ensures that their plans and targets are aligned with the UNICEF strategic plan to achieve targets of private sector fundraising. It should be noted that the fundraising targets of UNICEF for both 2017 and the four-year strategic period were fully met. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

375. **In paragraph 36 of its report, the Board recommended that UNICEF engage with the National Committees and follow up with them to achieve the desired contribution rate of 75 per cent of gross proceeds set in the cooperation agreement for the National Committees.**

Department responsible: Private Fundraising and Partnerships Division

Status: Closure requested

Priority: Medium

Target date: Not applicable

376. UNICEF closely monitors the contribution rate of every National Committee and strongly encourages each of them to meet the desired contribution rate of 75 per cent of gross proceeds. The joint strategic plans for those National Committees that have not yet achieved this target include a road map for reaching the 75 per cent contribution rate.

377. This demonstrates the efforts of UNICEF and the relevant National Committees to abide by their cooperation agreements and reduce retentions as much as possible. Given the individual context of each National Committee, it may not be possible for all of them to reach the 75 per cent target in 2018 or in the next few years owing to local conditions. Bearing that in mind, UNICEF utilizes the aforementioned road map

to document the mutually agreed timeline for improving the contribution rate. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

378. **In paragraph 57 of its report, the Board recommended that UNICEF reconcile the different targets fixed by the Strategic Plan, the budget and the Joint Strategic Plan and proactively monitor revenue generation through the different income channels.**

Department responsible: Private Fundraising and Partnerships Division

Status: Closure requested

Priority: Medium

Target date: Not applicable

379. UNICEF performs rigorous monitoring and reconciliation of revenue targets from different channels. Considerable effort has been made to ensure the alignment of existing plans, including the UNICEF strategic plan, the joint strategic plans and private sector plans. It should be noted that no variances among the targets were observed in 2017. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

380. **In paragraph 62 of its report, the Board recommended that UNICEF formulate an appropriate mechanism to enhance the level of contribution from potential income channels such as corporate donors. The strategy needed to be finalized before the implementation of the next private fundraising and partnerships plan.**

Department responsible: Private Fundraising and Partnerships Division

Status: Closure requested

Priority: High

Target date: Not applicable

381. The Private Fundraising and Partnerships Division finalized its plan for the period 2018–2021, in which UNICEF formulated an appropriate mechanism to enhance the level of contributions from potential income channels. The process of developing the new plan included assessments of the potential of various fundraising channels. The analysis conducted led to the conclusion that for the new plan, the potential for growth rested in individuals and key influencers such as foundations, major donors and ultra-high-net-worth individuals, among other channels. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

382. **In paragraph 68 of its report, the Board recommended that UNICEF strengthen its implementation of the harmonized approach to cash transfers to achieve the targets for assurance activities implemented.**

Department responsible: Field Results Group

Status: Closure requested

Priority: Medium

Target date: Not applicable

383. The harmonized approach to cash transfers procedure has been implemented in all relevant offices, including the implementation of robust reporting mechanisms and, where applicable, risk mitigation measures for country offices, regional offices and headquarters to monitor the level of implementation of the procedure and identify potential areas of weakness. The procedure was revised and issued in August 2018, and system enhancements were implemented to strengthen management oversight and monitoring. Various guidance and tools were developed to assist country offices in effectively implementing the framework. All regions have showed improvement compared with prior years and have met the key performance indicators. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

384. **In paragraph 74 of its report, the Board recommended that UNICEF expedite the cost-benefit analysis of the harmonized approach to cash transfers framework.**

Department responsible:	Field Results Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

385. UNICEF conducted and completed a cost-benefit analysis of the 2014–2017 investment in the harmonized approach to cash transfers. A report on that analysis has been drafted and is undergoing final quality and management reviews.

386. **In paragraph 84 of its report, the Board recommended that, in order to mitigate the risk of disputes or improper payments to alternate payees, UNICEF develop a suitable mechanism wherein the implementing partner's authorization of an alternate payee was clearly recorded.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

387. To further strengthen the existing controls related to the risk of improper payments, UNICEF is preparing a procedure on alternate and permitted payees for implementing partners to clearly detail the requirements for alternate payee updates in the vendor master file and the requirements for documenting authorization by implementing partners.

388. **In paragraph 95 of its report, the Board recommended that, in order to meet the challenges posed by intrinsic and extrinsic factors, UNICEF ensure the risk assessment and risk reporting exercise by the applicable offices at least once every year.**

Department responsible:	Division of Financial and Administrative Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

389. UNICEF evaluated its approach to enterprise risk management and risk reporting and determined that the process needed significant revamping to make the reporting on risk assessment more relevant and timely. As evidenced by the risk assessments conducted in 2017, UNICEF offices perform risk assessments annually and report their risk profiles in the enterprise risk management tool in the inSight system, and are instructed to update their risk assessments as often as necessary. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

390. **In paragraph 99 of its report, the Board recommended that UNICEF ensure that the proposed new enterprise risk management policy was appropriately crafted to incorporate the organization's functional requirements and, at the same time, ensure that incongruities were avoided.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

391. UNICEF has redrafted the regulatory content of the enterprise risk management policy to address the incongruities noted by the Board. The updated policy is expected to be published by the end of 2018, in conjunction with the development and implementation of the Division of Financial and Administrative Management enterprise governance, risk and compliance strategy and the information technology platform to support it.

392. **In paragraph 105 of its report, the Board recommended that, in addition to continuing the good practice of providing ad hoc support from headquarters, there be a regular and formal training programme for risk liaison personnel on risk management.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

393. UNICEF has developed training materials for risk liaison personnel, and the training is expected to be delivered by the end of 2018.

394. **In paragraph 111 of its report, the Board recommended that UNICEF ensure the formulation of risk tolerance and risk appetite at appropriate operational levels.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

395. UNICEF will articulate a risk tolerance and risk appetite statement at the organizational level in accordance with the UNICEF Financial Regulations and Rules as part of the updated enterprise risk management policy, which is currently under redevelopment.

396. **In paragraph 125 of its report, the Board recommended that UNICEF ensure periodic review of vendor master records and remove all inconsistencies.**

Department responsible:	Global Shared Service Centre
Status:	Closure requested
Priority:	High
Target date:	Not applicable

397. Vendor maintenance was centralized at the UNICEF Global Shared Service Centre in 2016. During the second quarter of 2017, the Centre removed more than 38,000 inactive records from the master data management records and an additional 1,500 duplicates. Thereafter, each new record processed at the Centre was checked for possible duplicates according to standard operating procedures that are in place. Additionally, the Centre performs annual data clean-up and archiving exercises, which further remove the risk of duplicate records, as well as any long-term inactive vendors. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

398. **In paragraph 133 of its report, the Board recommended that UNICEF develop the long-term agreement management system, including constant monitoring of its expiry, timely renewal and entering the agreement with better prices for regularly purchased items.**

Department responsible:	Supply Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

399. UNICEF has streamlined the tools for its tender planning by updating and reviewing the strategic tender calendar, which includes long-term agreement expiration dates and planned actions regarding the need for extension or tendering, and as a standing agenda at the monthly programme group meetings.

400. Furthermore, UNICEF has developed a monitoring system for the expiration of long-term agreements, which is included in the supply dashboard in the inSight system. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

401. **In paragraph 138 of its report, the Board recommended that UNICEF country offices ensure that the exemption on taxes, levies, tolls or duties was**

utilized on supplies and equipment as provided under the cooperation agreement with the host country.

Department responsible:	Division of Financial and Administrative Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

402. UNICEF has put in place a new closure activity that requests status on compliance with host country agreements on tax exemptions and reimbursements. Country offices will be confirming compliance with the relevant cooperation agreements on an annual basis, and the first confirmation was effective for the year ended 31 December 2017. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

403. **In paragraph 159 of its report, the Board recommended that UNICEF review cases of delay and take appropriate action in accordance with the terms and conditions of the contract to improve timely delivery.**

Department responsible:	Supply Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

404. UNICEF has reviewed cases in which there was a delay in the quality assurance release of pharmaceutical and other stock. Furthermore, UNICEF amended its procedures to include guidance on the additional contractual remedies available for the application of liquidated damages in case of non-performance by a supplier. UNICEF also issued revised general terms and conditions of the contract and conducted related global training sessions. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

405. **In paragraph 170 of its report, the Board recommended that UNICEF ensure the timely receipt of vaccine arrival reports.**

Department responsible:	Supply Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

406. UNICEF reviewed the existing guidance in conjunction with World Health Organization guidelines on the international packaging and shipping of vaccines. Guidance has been published on the timely submission of vaccine arrival reports to country offices. Performance indicators have been established to monitor the achievement of timely vaccine arrival reports. UNICEF is also developing country-specific strategies to support countries that continue to face challenges in the timely completion and submission of vaccine arrival reports.

407. **In paragraph 184 of its report, the Board recommended that UNICEF identify the reasons for the detention of containers for long periods and provide**

guidance to the country and regional offices to reduce the container detention time.

Department responsible:	Supply Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

408. UNICEF completed an analysis of the root causes for the detention of containers and is developing guidance for country and regional offices to help reduce container detention time. In addition, UNICEF has developed a biweekly reporting mechanism to facilitate continuous review by management of container movements on a global basis.

409. **In paragraph 193 of its report, the Board recommended that UNICEF generate and circulate division-wise month-end reports on open travel authorizations to create a monitoring mechanism to minimize delays in trip closure.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

410. Information on open travel authorizations is included in UNICEF management dashboards. In addition, UNICEF will produce and distribute individual reports on trip closure to its country offices, as recommended by the Board.

411. **In paragraph 199 of its report, the Board recommended that UNICEF put in place a system check for exploring alternatives to travel by way of using technology before authorizing travel.**

Department responsible:	Division of Financial and Administrative Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

412. In 2018, a new functionality was added to the VISION system that requires all staff members creating a travel request to certify that all alternatives to travel have been considered, including the utilization of technology. It is only upon a staff member's certification that all alternatives have been explored that the system will allow the staff member to proceed to the travel authorization stage. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

413. **In paragraph 208 of its report, the Board recommended that UNICEF continue to collect data from all the country offices that were implementing the infant and young child feeding programme and ensure the completeness of the data for all the parameters.**

Department responsible:	Programme Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

414. UNICEF is working to strengthen the nutrition dashboard in order to ensure sustainability and to improve data visualization of the nutrition programmes globally.

415. **In paragraph 224 of its report, the Board recommended that UNICEF use the lessons learned from the Millennium Development Goals for effective implementation of the Sustainable Development Goals.**

Department responsible:	Division of Data, Research and Policy
Status:	Closure requested
Priority:	High
Target date:	Not applicable

416. UNICEF has considered the lessons learned from the Millennium Development Goals for measurement, programming and advocacy with respect to the Sustainable Development Goals, which are now confirmed as one of the five key outcomes for the Division of Data, Research and Policy. In addition, UNICEF has produced a flagship annual publication on the status of implementation of the Sustainable Development Goals as they relate to children. UNICEF considers this recommendation to have been implemented and requests its closure by the Board.

417. **In paragraph 236 of its report, the Board recommended that UNICEF review the Charter of the Office of Internal Audit and Investigations to ensure adherence to the International Standards for the Professional Practice of Internal Auditing.**

Department responsible:	Office of Internal Audit and Investigations
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

418. UNICEF is revising the Charter of the Office of Internal Audit and Investigations with the support of the Audit Advisory Committee and in coordination with the other United Nations internal audit functions. The revised Charter will be presented for review and approval by the Executive Director of UNICEF.

419. **In paragraph 243 of its report, the Board recommended that the Office of Internal Audit and Investigations prepare and implement its annual workplan to adhere to the five-year audit cycle in accordance with the Charter of the Office of Internal Audit and Investigations.**

Department responsible: Office of Internal Audit and Investigations

Status: In progress

Priority: Medium

Target date: First quarter of 2019

420. UNICEF is working on the revision of the Charter of the Office of Internal Audit and Investigations, which will be presented for review and approval by the Executive Director of UNICEF.

VII. United Nations Relief and Works Agency for Palestine Refugees in the Near East

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[19]

421. Table 16 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

Table 16
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Department of Health	2	1	1	1	–
Department of Human Resources	1	–	1	1	–
Department of Internal Oversight Services	1	–	1	1	–
Department of Relief and Social Services	2	–	2	2	–
Total	**6**	**1**	**5**	**5**	**–**

422. Table 17 summarizes the status of implementation of all recommendations of the Board as of August 2018.

Table 17
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Central Support Services Division	7	4	3	3	–
Department of Finance	1	1	–	–	–
Department of Health	4	2	2	2	–
Department of Human Resources	7	5	2	2	–
Information Management Department	2	1	1	1	–
Department of Internal Oversight Services	4	–	4	4	–
Department of Planning	4	–	4	4	–

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[19] A/73/5/Add.4, chap. II.

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Department of Relief and Social Services	5	1	4	4	–
Microfinance Department	1	1	–	–	–
Total	**35**	**15**	**20**	**20**	–

423. **In paragraph 20 of its report, the Board recommended that the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA): (a) develop and implement an enforcement mechanism to ensure compliance with the travel guidelines which might include obtaining approval from the UNRWA executive office for travel requests below 15 days; and (b) review the advance purchase policy and evaluate how best prices for travel could be achieved.**

Department responsible:	Central Support Services Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

424. UNRWA is developing an enforcement mechanism to ensure compliance with the travel guidelines. Upon the roll-out of the travel management system, UNRWA will review the advance purchase policy and its implementation at UNRWA headquarters in Amman, followed by the field offices.

425. **In paragraph 21 of its report, the Board recommended that UNRWA: (a) document reasons in the travel management system for all travel requests and bookings made below 15 days; (b) ensure that all official trips were booked by the travelling office and avoid personal bookings to enhance compliance with procurement procedures; and (c) ensure that the booking dates of all tickets in all fields were documented and maintained in the travel management system.**

Department responsible:	Central Support Services Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

426. UNRWA has initiated a modification of the travel management system, with initial implementation set to be carried out in approximately six months. The Central Support Services Division is continuing to work with the Information Management Department to finalize the modification of selected fields in order to obtain reports.

427. **In paragraph 25 of its report, the Board recommended that UNRWA: (a) maintain price quotations for other options in the file to enhance internal control and confirm that the best option was selected over other options; (b) ensure that the price quotations were received from at least three agents to widen the scope of price options; and (c) document the reasons in case the selected price was not the best price and ensure that they were approved by the executive office.**

Department responsible:	Central Support Services Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

428. UNRWA has introduced modifications to its headquarters travel management process, which has resulted in the following: (a) each airline trip is supported with a minimum of three quotations; (b) correspondence on the reasons for selecting second lowest offer, if any, is uploaded to the system for the sake of completeness; and (c) the booking date is inserted before the record of the ticket is saved. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

429. **In paragraph 33 of the report, UNRWA agreed with the Board's recommendation that it: (a) establish a linkage between salary increment and performance appraisal to ensure that salary increments and promotion of staff were based on performance appraisal, while staff members with uncompleted performance appraisal and unsatisfactory performance were subjected to deferment of annual salary increment, as required by personnel directives No. A/3 Rev. 1 and No. PD/A/23; and (b) enhance the monitoring of staff performance appraisal and ensure that heads of departments and divisions exercised their supervisory roles with regard to the completion of staff performance appraisal.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

430. UNRWA supports the establishment of a linkage between salary increments and performance appraisals. However, UNRWA is waiting for the results of the ongoing review of the performance management system, after which it will coordinate with all parties concerned to implement this recommendation.

431. **In paragraph 37 of its report, the Board recommended that UNRWA: (a) improve its review process in respect of the manual computation of staff entitlements while awaiting the interface between the electronic leave system and the REACH system to minimize the risk of human error; and (b) enhance the time management module in the REACH system through integration with the stand-alone e-leave system to facilitate system computation of leave encashment.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

432. UNRWA is taking a number of steps to improve its process of reviewing the manual computation of staff entitlements and to strengthen its internal controls over the manual systems.

433. **In paragraph 42 of the report, UNRWA field offices agreed with the Board's recommendation that they observe the required time frame for the internal recruitment process for effective and timely service delivery to refugees.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

434. UNRWA has reformed its recruitment process, which has resulted in the reduction of the recruitment time frame. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

435. **In paragraph 46 of the report, UNRWA agreed with the Board's recommendation that it: (a) configure the REACH system to include 1.5 days per month as annual leave days and 2 days' sick leave to align with the new complementary personnel directive (CPD/1) and avoid risk of errors through manual intervention; and (b) ensure that any changes in the policies relating to staff entitlement were immediately reflected in the system for the accurate computation of staff entitlements.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

436. UNRWA has configured the REACH system as recommended by the Board and requests that the recommendation be closed.

437. **In paragraph 49 of its report, the Board recommended that UNRWA: (a) update the existing organizational structure and organizational directive No. 3 to reflect the additional departments and divisions; and (b) indicate the actual number of staff when requesting and accounting for advance grants received from United Nations Headquarters to finance international staff posts under the regular budget.**

Department responsible:	Department of Finance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

438. Regarding part (a) of the recommendation, the new departments mentioned in paragraph 47 of the Board's report were set up after UNRWA had prepared its budget for the biennium 2016-2017, and therefore they were not shown in the organizational structure. However, the new departments are reflected in the revised organizational directive. With regard to part (b), the reporting of the number of staff is based on standard templates used by all United Nations entities, in which vacancies are reflected in the actual expenditure reported to United Nations Headquarters in New York. The advance requests for international staff are based on approved posts, and

the disbursements are compared against year-to-date actual expenditure and the year-to-date advances received. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

439. **In paragraph 69 of the report, UNRWA agreed with the Board's recommendation that it: (a) improve monitoring of staff leave through supervisors to ensure that all leave applications were approved prior to the commencement of the leave; (b) streamline the levels of leave approval in the e-leave system to maintain consistency; and (c) perform regular review of leave systems to identify and take action with regard to non-compliance, including the charging of pending and rejected leave to the monthly salary of the staff concerned or leave encashment for the separated staff.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

440. With regard to part (a) of the recommendation, UNRWA has taken steps to improve the monitoring of staff leave through supervisors to ensure that all leave applications are approved prior to the commencement of the leave. Regarding part (b), UNRWA has evaluated the suitability of its implementation and concluded that such a step would cause an impediment to smooth operations and the leave approval process for staff deployed in field offices, particularly the international staff drivers who help with border crossings. With regard to part (c), the Department of Human Resources conducts annual verification of leave balances and has also implemented a process of monthly review of the leave systems to identify and take action on non-compliance, including the charging of pending and rejected leave to the monthly salary of the staff concerned or leave encashment for the separated staff.

441. **In paragraph 70 of the report, UNRWA agreed with Board's recommendation that it: (a) investigate the discrepancies noted in the leave balances and take appropriate action to arrive at correct leave entitlement for all staff; (b) perform regular reconciliation of international staff leave balance between e-leave and staff attendance records to ensure reliable year-end leave balance; and (c) review and reset the e-leave and electronic time management systems to ensure that automated reports for past dates leave balance were generated for monitoring and evidence checks for the audit trail.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

442. The Department of Human Resources has investigated the discrepancies noted by the Board in the leave balances for 13 cases and concluded that the data are correct. The Department of Human Resources has provided the Board with data on leave balances in the e-leave system confirming that no discrepancies existed. The Department of Human Resources has also implemented system changes to ensure that the e-leave system for international staff captures the supervisors' approval dates. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

443. **In paragraph 71 of the report, UNRWA agreed with the Board's recommendation that it revisit the REACH and electronic time management system interface to ensure that all approved leave applications in the electronic time management system during payroll processing periods were automatically uploaded to the REACH system after release.**

Department responsible:	Department of Human Resources
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

444. UNRWA has provided the Board with the relevant information and documentation of revised steps for the interface between the REACH and electronic time management systems. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

445. **In paragraph 78 of the report, UNRWA agreed with the Board's recommendations that it: (a) institute adequate controls over the registration process in the emergency assistance management system database and update the system with accurate and up-to-date data to eliminate and prevent multiple registration of refugees while awaiting the roll-out of the refugee registration information system; (b) establish a unified key identifier to map the data between the emergency assistance management system and the refugee registration information system, while reviewing the feasibility of transferring the emergency assistance management system data to the refugee registration information system; and (c) perform data verification of the distribution list before submission to the banks for payments.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	High
Target date:	Third quarter of 2019

446. The Information Management Department and the Department of Relief and Social Services performed a gap analysis of the emergency assistance management system and recommended that the current emergency assistance management system be moved to the refugee registration information system to avoid duplication and improve the registration process. The recommended move is now in progress.

447. **In paragraph 79 of the report, UNRWA agreed with the Board's recommendations that it: (a) conduct an investigation into the duplicate cases to confirm which were intentional and take necessary remedial action; and (b) recover the duplicate payments from the beneficiaries concerned from future distributions.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2019

448. As indicated in the Agency's comments above relating to the recommendation in paragraph 78 of the Board's report, the emergency assistance management system is being moved to the refugee registration information system to avoid duplication and improve the registration process. UNRWA will investigate the duplicate payments and recover overpayments from the beneficiaries concerned.

449. **In paragraph 89 of the report, the UNRWA Jordan field office agreed with the Board's recommendation that it: (a) work in coordination with headquarters to develop a comprehensive standard operating procedure, which would set controls for emergency cash assistance from registration to the cash distribution process; (b) institute adequate controls over the registration database to enhance internal checks during registration and changes of records for existing refugees; (c) perform pre- and post-distribution verification to ensure that only the intended beneficiaries received cash assistance; and (d) ensure that all unregistered refugees not included in the refugee registration information system were attested and registered for effective control.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2019

450. Standard operating procedures for emergency cash assistance have been drafted and are undergoing the approval process. Controls over the registration database are being enhanced, and the registration of refugees in the system has been carried out.

451. **In paragraph 94 of the report, the UNRWA Syrian Arab Republic field office agreed with the Board's recommendation that it start procurement processes at the earliest possible time to provide time for unexpected negotiation on terms and conditions of the contracts with the government hospitals to ensure that the contract was signed in a timely manner.**

Department responsible:	Central Support Services Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

452. UNRWA extended its 2017 contracts with the government hospitals in order to avoid any interruption in hospitalization services. UNRWA requests the closure of this recommendation, since all of its contracts with the government hospitals are in order.

453. **In paragraph 101 of the report, UNRWA agreed with the Board's recommendation that it: (a) ensure that technical evaluation criteria were comprehensively set to take into account all technical factors and risks that might affect execution of the tender; and (b) clearly specify the determinant of the award decision, whether aggregate score, technical evaluation score or financial evaluation score, in order to avoid award decisions based on the bid evaluation panel's judgment call.**

Department responsible: Central Support Services Division

Status: Closure requested

Priority: Medium

Target date: Not applicable

454. The evaluation criteria are set out in the solicitation documents in accordance with chapter 8 of the procurement manual. Given that the issue raised by the Board was a one-off incident and management provided explanations to the Board, UNRWA requests the closure of this recommendation.

455. **In paragraph 105 of the report, UNRWA agreed with the Board's recommendation that: (a) it establish a joint monitoring and follow-up mechanism between the procurement team and end users to oversee the delivery cycle once purchase orders were issued; (b) the Procurement and Logistics Division perform regular reviews of open purchase orders in the system to identify all cases of delays for close follow-up with the vendors, to minimize delay in delivery of goods, and close all purchase orders which should have been closed; and (c) it charge liquidated damages for all delays caused by suppliers in accordance with section 15.2 of the general conditions of contract for the provision of goods.**

Department responsible: Central Support Services Division

Status: In progress

Priority: Medium

Target date: Ongoing

456. UNRWA management has reminded the relevant staff members to comply with the appropriate procurement rules and will closely monitor their compliance.

457. **In paragraph 106 of the report, UNRWA agreed with the Board's recommendation that it: (a) ensure that purchase orders were sent to suppliers on time to avoid unnecessary delays; and (b) involve field procurement and logistics divisions in the project pre-procurement planning stage for the proper planning of delivery schedules and link the programme budget planning to procurement planning.**

Department responsible: Central Support Services Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

458. UNRWA notes that each procurement office and section has its own annual procurement plan. The corporate procurement plan for 2018 could not be fully implemented owing to the Agency's financial situation. The preparation of the corporate procurement plan for 2019 will be completed before the end of 2018.

459. **In paragraph 113 of the report, the UNRWA Gaza field office agreed with the Board's recommendation that it: (a) ensure that annual procurement plans for medicine and medical supplies were prepared by early January and**

submitted to the Chief of the Procurement and Logistics Division in the same month for further processing and approval as required under the procurement manual; and (b) work closely with headquarters to ensure compliance with the established dates in the approved annual procurement plan by issuing purchase requisitions on time to allow the timely release of purchase orders to avoid risk of stock-out.

Department responsible:	Department of Health
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

460. UNRWA has developed an annual procurement plan for all medicines and medical supplies with a set time frame for each step within the plan. UNRWA is ensuring that the procurement plan is being adhered to in a timely manner.

461. **In paragraph 120 of the report, UNRWA headquarters in Amman agreed with the Board's recommendations that it: (a) conduct a cost-benefit analysis by allowing the Gaza field office to enter into long-term agreements with local suppliers to procure Eightcheck control reagent, to avoid expiration of items before consumption due to longer transportation time and border entry restrictions when using a long-term agreement from headquarters in Amman; (b) review the long-term agreement and liaise with the supplier to separate the reagent price from the price of other services price which did not occur frequently, to increase transparency and reduce the unit cost of the item; and (c) ensure compliance with the UNRWA quality assurance policy for pharmaceutical products by accepting only medicine and medical supplies which had at least 75 per cent remaining shelf life at the time of arrival in the country of destination.**

Department responsible:	Department of Health
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

462. As indicated above in the comments relating to the recommendation in paragraph 113 of the Board's report, UNRWA has developed an annual procurement plan for all medicines and medical supplies with a set time frame for each step within the plan. UNRWA is ensuring that the procurement plan is being adhered to in a timely manner and that the plan is addressing all the issues noted by the Board.

463. **In paragraph 129 of its report, the Board recommended that UNRWA: (a) introduce an independent quality control testing mechanism for medicine and medical supplies in field offices, as in the case of basic commodities, to ensure the quality of medicine and medical supplies received from suppliers prior to acceptance; (b) seek contractual remedies from the suppliers of these medicines in accordance with article 5.7 of the Agency's general conditions of contract for the provision of goods; (c) include independent quality control testing at the point of pre-shipment and post-shipment in the UNRWA quality assurance policy for pharmaceutical products; and (d) harmonize the procedures for physical**

inspection and quality control tests at all field offices for medicines procured at headquarters in Amman.

Department responsible:	Department of Health
Status:	Closure requested
Priority:	High
Target date:	Not applicable

464. With regard to part (a) of this recommendation, the standard procedures for physical inspections and quality control tests of pharmaceutical products are now followed at field offices in the West Bank. Random samples of some items were taken for laboratory quality testing of products that had been procured though headquarters in Amman. With regard to part (b), the updated policy on pharmaceutical products is being implemented at the field offices on the basis of contractual remedies from suppliers. Regarding part (c), UNRWA conducted a health supply chain meeting in October 2017, at which it was agreed that pre- and post-shipment quality control testing would be carried out as an ongoing process. With regard to part (d), there are now harmonized procedures for physical inspection and quality control tests upon the receipt of pharmaceutical products at each field office. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

465. **In paragraph 134 of its report, the Board recommended that the UNRWA Lebanon field office: (a) expedite implementation of the contract for solar power installation to avoid the problem of power outages; (b) finalize the reporting module to generate accurate management reports from the e-health system and find an appropriate solution to the access problem for records of other health centres; and (c) resolve the network problem connectivity problem in order to provide reliable and appropriate service to beneficiaries.**

Department responsible:	Department of Health
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

466. Regarding part (a) of the recommendation, the implementation of the contract for solar power installation is now complete. With regard to part (b), all reports are now available in the e-health system. Regarding part (c), the network problem has been resolved, and health centres can work on three alternative lines in the event of an interruption in one line. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

467. **In paragraph 138 of the report, UNRWA agreed with the Board's recommendations that it: (a) closely follow up with the guarantors of loan defaulters to recover the long-outstanding loans and liaise with the legal office for legal advice, including enforcement of legal action against the guarantors; (b) perform eligibility analysis prior to granting the loan and avoid granting loans to clients whose guarantors refuse to provide monthly income evidence, with a view to reducing recoverability risks in case of default by clients; and (c) amend the microcredit community support programme guideline of 2012 to reflect the change in the late fee, from 5 per cent to 2 per cent.**

Department responsible:	Department of Relief and Social Services
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

468. With regard to part (a) of the recommendation, UNRWA now follows up with the guarantors of loan defaulters on a monthly basis, and the number of non-UNRWA guarantors has declined by approximately 30 per cent. As a result, approximately 30 per cent of defaulters have started to pay their loans, while others have paid their loans in full. Regarding part (b), eligibility analysis is being made through the Agency's normal procedures, and non-UNRWA guarantors, who are employees of private companies, are providing evidence of their monthly incomes. With regard to part (c), UNRWA notes that its microcredit community support programme guideline states that late fees of up to 5 per cent will be charged. The Lebanon field office decided to charge late fees of 2 per cent, which is in accordance with the guideline, and therefore no amendment to the guideline is necessary. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

469. **In paragraph 142 of the report, the UNRWA Lebanon field office agreed with the Board's recommendation that it ensure that all important reports mentioned in the contract were configured in the loan management information system for better management of the microcredit community support programme loan portfolio.**

Department responsible:	Department of Relief and Social Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

470. UNRWA is following up with the vendor of the loan management information system to finalize the pending report configuration issues.

471. **In paragraph 148 of its report, the Board recommended that the UNRWA Jordan field office: (a) ensure that project workplans were developed and documented prior to implementation of the projects; (b) develop and implement a plan to put in place a field project office equipped with an appropriate level of staff; and (c) ensure that project progress reports were prepared at regular intervals for all projects for monitoring the progress of the project and accountability for the resources utilized.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

472. The ongoing strengthening of UNRWA project management is to be rolled out through the establishment of a strategic project management office within the Department of Planning. This will include the development of tools, procedures and systems for improved project and portfolio management.

473. **In paragraph 152 of the report, UNRWA agreed with the Board's recommendation that it operationalize the Project Review Committee and ensure that it performed its responsibilities effectively.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

474. The UNRWA Project Review Committee met once in 2017 and will be meeting regularly in the future.

475. **In paragraph 159 of its report, the Board recommended that UNRWA: (a) document the average time frame for the issue of a closure memorandum by the External Relations and Communications Department after the operational closure of a project for projects which were supposed to be closed and the time frame for administrative closure and financial closure of a project in the system for accountability among the accountable stakeholders; (b) ensure close follow-up in respect of unallocated balances where communication with the donor was needed for reprogramming, refund or transfer to another fund code to allow closure of the projects; (c) close all projects in the system which had been indicated by the Department as closed in the project tracker; and (d) develop a work breakdown structure to allocate the pending project fund balance, to avoid the risk of returning the contributed funds to the donors.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

476. UNRWA is in the process of establishing a strategic project management office in the Department of Planning as part of the ongoing strengthening of project management in the Agency. Once established, the strategic project management office will lead the development of systems and procedures for project and portfolio management and will support capacity-building at the field office and headquarters levels.

477. **In paragraph 160 of its report, the Board recommended that UNRWA enhance communication between the External Relations and Communications Department, the Finance Department and the Department of Planning, to ensure the smooth monitoring of project implementation and timely processing of pending financial and other reports so as to expedite project closure.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

478. See the Agency's comments above relating to the recommendation in paragraph 159 of the Board's report. The establishment of a strategic project management office will lead to the implementation of this recommendation.

479. **In paragraph 163 of its report, the Board recommended that UNRWA: (a) adopt and implement an appropriate strategic planning model to assist management to obtain a holistic picture of the strategic management process and bring all the key strategic management components together for effective strategy communication and implementation; and (b) develop key performance indicators to measure the achievement of the strategic objectives.**

Department responsible:	Information Management Department
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

480. The key performance indicators and risks identified by UNRWA have now been provided to the Board. The strategic planning process started in March 2018 through a series of workshops that resulted in the definition of the mission and of the vision of the Information Management Department. In August 2018, the strategy was presented at the information and communications technology conference, which was attended by the Deputy Commissioner General. The strategy was subsequently refined further to capture the highlights of the strategic agenda that had been endorsed by the Deputy Commissioner General. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

481. **In paragraph 166 of its report, the Board recommended that UNRWA: (a) identify all staff who had changed their employment status, and disable their accounts in the REACH system; and (b) develop a user accounts review procedure that would require periodic review of the access rights attached to user accounts, to ensure that no staff were given access rights to the system that did not fit their current job requirements.**

Department responsible:	Information Management Department
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

482. The Technical Service Division clearance form was modified to reflect the REACH system access rights. The Department of Human Resources will define a new process for staff moving between departments. A dedicated team in the Division's Service Delivery Section is now in charge of managing the REACH system access rights.

483. **In paragraph 171 of its report, the Board recommended that UNRWA: (a) ensure that the Advisory Committee on Internal Oversight conducted annual self-assessment of its performance as required by organizational directive No. 24; (b) design a confidentiality template form and ensure that members of the Advisory Committee on Internal Oversight signed the statement of confidentiality for accountability; and (c) review organizational directive No. 24 and incorporate the appointment process, including ways of seeking candidates**

for appointment, the review process and the selection decision, to ensure an unbiased, competitive and transparent selection process.

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

484. Parts (a) and (b) of this recommendation have been implemented. Part (c) has also been addressed and is awaiting formal endorsement by UNRWA senior management.

485. **In paragraph 178 of its report, the Board recommended that UNRWA: (a) consider exploring an alternative resource deployment strategy in the Assurance and Advisory Services Division to strengthen the Division and ensure sufficient coverage of high-risk areas identified and comply with the annual audit plan; and (b) review the staffing structure of the Division to align with the complexity and growth of the Agency.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

486. The Department of Internal Oversight Services continues to enhance its staffing capacity and to explore alternative resource modalities to ensure that its Assurance and Advisory Services Division will be better positioned to meet the objectives of UNRWA. The Division has discussed with the outgoing Director of the Department of Internal Oversight Services the possibility of augmenting its staffing structure; once the new Director is on board, this will be prioritized, as well as exploring alternative resourcing modalities, given the current fiscal challenges that the Agency is facing.

487. **In paragraph 181 of its report, the Board recommended that the UNRWA Department of Internal Oversight Services expedite discussion with management on the most appropriate model so as to minimize delay in the completion of investigation cases.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

488. UNRWA notes that strengthening the investigation function through its centralization within the Department of Internal Oversight Services has been agreed upon in principle by management. However, the current financial challenge facing the Agency makes the development and operationalization of a specific plan difficult. UNRWA continues to explore the most appropriate model for carrying out investigations.

489. **In paragraph 182 of its report, the Board recommended that UNRWA conduct awareness training for its staff on fraud and corruption.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

490. UNRWA notes that, given its current financial situation, most training activities have been put on hold. The Agency will, however, remind its staff about the anti-fraud and anti-corruption policy through regular broadcasts.

491. **In paragraph 186 of its report, the Board recommended that the UNRWA Microfinance Department review its strategies for managing loans and enforce staff follow-up on the loan and compliance with manuals to ensure that the portfolio at risk was within or below the regional benchmark of 5.85 per cent.**

Department responsible:	Microfinance Department
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

492. UNRWA has adopted multiple tools to ensure compliance with the loan operations manual. UNRWA considers this recommendation to have been implemented and requests its closure by the Board.

B. Implementation of the recommendations contained in the reports of the Board of Auditors for prior financial periods

493. In annex I to its report for the year ended 31 December 2017 (A/73/5/Add.4, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 19 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in annex I.

494. Table 18 summarizes the overall situation as of August 2018.

Table 18
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Central Support Services Division	4	1	3	2	1
Department of External Relations and Communications	1	–	1	1	–
Department of Finance	1	–	1	1	–
Department of Human Resources	2	–	2	2	–
Information Management Department	2	–	2	2	–

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Department of Infrastructure and Camp Improvement	2	–	2	2	–
Department of Internal Oversight Services	1	–	1	1	–
Department of Planning	1	–	1	1	–
Department of Security and Risk Management	1	–	1	1	–
Executive office	1	–	1	1	–
Microfinance Department	2	–	2	2	–
Multiple offices	1	–	1	1	–
Total	**19**	**1**	**18**	**17**	**1**

Report of the Board for the year ended 31 December 2013[20]

495. **In paragraph 40 of the report, UNRWA agreed with the Board's recommendation that it undertake a mapping exercise to identify and compile in a single document key internal controls for its business processes with reference to other documents providing detailed procedures.**

Department responsible:	Executive office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

496. UNRWA is in the process of developing a document that explains the roles and responsibilities with respect to internal controls over its critical business processes.

Report of the Board for the year ended 31 December 2016[21]

497. **In paragraph 19 of the report, UNRWA agreed with the Board's recommendation that it: (a) develop an insurance framework to govern insurance practice by defining roles and responsibilities, drawing clear decision lines regarding what and how much was to be insured, management of the insurance portfolio in terms of risk exposures and developing valuation methodologies for insurance purposes; and (b) assess the risk exposure of the Agency's assets and use its assessment as a basis for deciding on the nature of the assets to be insured and the value to be covered by the insurance.**

Department responsible:	Executive office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

498. UNRWA is finalizing the terms of reference for a consultant to perform a risk assessment and evaluate the Agency's risk exposure, which will form the basis for the recommended insurance framework.

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[20] A/69/5/Add.4, chap. II.

[21] A/72/5/Add.4, chap. II.

499. **In paragraph 23 of the report, the UNRWA West Bank field office agreed with the Board's recommendation that it: (a) certify the monthly statements submitted by the contractor to authenticate the quality of service delivered and the accuracy of monthly actual expenditure; and (b) reconcile the monthly statement submitted by the contractor against the submission made by the staff to validate the accuracy of the information submitted by the contractor.**

Department responsible:	Department of Finance
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

500. The certification process is under way, including discussions with the Department of Human Resources on how to conduct the reconciliation in order to comply with the provisions of the contract.

501. **In paragraph 31 of the report, UNRWA agreed with the Board's recommendation that it: (a) expedite allocation of a physical identification number for each asset in the fixed asset register maintained in the REACH system for easy traceability and monitoring of the assets; (b) develop a unique physical identifier to link the REACH system with other systems used to record fixed assets; and (c) expedite reconciliation of the number of vehicles in the REACH system and the fleet management system records.**

Departments responsible:	Department of Finance, Department of Infrastructure and Camp Improvement and Information Management Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

502. With regard to parts (a) and (b) of this recommendation, the allocation of a physical identification number for each asset in the fixed asset register maintained in the REACH system is still in progress. The Board has determined part (c) to have been implemented.

503. **In paragraph 36 of its report, the Board recommended that the UNRWA Lebanon field office: (a) ensure that sections and departments provided timely notifications to the Property Management Unit on the new acquisitions, surveyed and transferred assets to allow manual recording and numbering of assets as a short-term solution pending the reactivation of the barcode system; (b) improve communication and build awareness among custodians on raising survey requests and adherence to transfer procedures to ensure timely dissemination of information to the Property Management Unit for updating the asset records; and (c) expedite the process of reactivating the barcode system in the REACH system for easy tracking and monitoring of acquired assets and surveyed and transferred assets from one location to another.**

Department responsible:	Information Management Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

504. The UNRWA Lebanon field office developed a standard operating procedure on the acquisition, transfer and survey of assets to address parts (a) and (b) of this recommendation, which have been determined by the Board to have been implemented. The implementation of part (c) is still in progress.

505. **In paragraph 75 of the report, UNRWA agreed with the Board's recommendation that it: (a) review its procurement manual to include limits for contract renewals in order to enhance fair competition and obtain best value for money; and (b) improve the data collection process to include end users' satisfaction as part of vendors' performance evaluation and ensure that renewal of contract took into account the results of the Agency's market assessment.**

Department responsible:	Central Support Services Division
Status:	In progress
Priority:	Medium
Target date:	Ongoing

506. With regard to part (a) of this recommendation, UNRWA notes that, in accordance with its procurement manual, the renewal of its contracts is subject to the provisions of the original contract or is allowed where annual renewal is a standard commercial practice. The sponsoring officer must evaluate the rationale for such renewals on a case-by-case basis depending on whether the action will be in the best interest of the Agency. UNRWA will consider the review, as recommended by the Board. Regarding part (b), UNRWA notes that, while it is a good practice to request vendor performance evaluation from end users and to support the renewal of contracts with a market assessment, the implementation of this part of the recommendation may not currently be possible, owing to the Agency's resource constraints.

507. **In paragraph 82 of the report, the Gaza field office agreed with the Board's recommendation that: (a) in coordination with the Department of Health and the Procurement and Logistics Division at headquarters in Amman, it establish a timeline for raising purchase requisitions on medical items on the basis of the procurement plan in order to avoid stock-out and emergency procurement, which could lead to higher costs; and (b) it consider entering into long-term agreements with local suppliers that offered competitive prices and met the required specifications, to be used for emergency needs for medical supplies.**

Department responsible:	Central Support Services Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

508. Guidance from the Procurement and Logistics Division at headquarters in Amman on the establishment of long-term agreements with local suppliers has been

circulated. UNRWA has established a timeline for raising purchase requisitions on medical items on the basis of the procurement plan in order to avoid stock-out and emergency procurement, which could lead to higher costs. The Board has determined part (a) of this recommendation to have been implemented and part (b) to still be under implementation.

509. **In paragraph 87 of its report, the Board recommended that UNRWA: (a) comply with the procurement manual by awarding contracts to the lowest technically compliant evaluated bidders; (b) ensure that contract management plans were developed for strategic and important contracts and used as a tool for monitoring the implementation of contracts and reporting the key performance indicator measures as required by the procurement technical instruction; and (c) perform a comprehensive evaluation review and ensure that the evaluation criteria were detailed enough to include vendors' past performance, equipment, qualified staff and financial stability, in order to confirm its ability to deliver the intended service before award.**

Department responsible:	Central Support Services Division
Status:	Closure requested
Priority:	High
Target date:	Not applicable

510. The evaluation criteria are set out in the solicitation documents in accordance with chapter 8 of the procurement manual. Given that the issue raised by the Board was a single incident and management provided explanations to the Board, UNRWA requests the closure of this recommendation.

511. **In paragraph 97 of the report, UNRWA agreed with the Board's recommendations that it: (a) solicit other sources of funds to complete the remaining work for the project; (b) conduct training for the engineering team on the contract management process to ensure that it took proactive decisions based on the terms and conditions of contract in order to avoid failures in completing projects; (c) involve legal officers when their intervention was required in events, such as slow progress, which indicated that the work could not reasonably be completed on the fixed date and that negotiation with donors was needed in order to prolong the funding period; and (d) hold regular meetings to discuss the status of project implementation and the expiry date of the donor funding involving engineers, the External Relations and Communication Department and project officers and maintain regular communication with the executive office with a view to a final decision.**

Department responsible:	Department of External Relations and Communications
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

512. The Board has determined parts (a), (c) and (d) of this recommendation to have been implemented. Regarding part (b), the recommended training for the engineering team has not been completed, owing to the financial situation of the Agency and the related austerity measures that have been carried out since January 2018.

513. **In paragraph 103 of the report, UNRWA agreed with the Board's recommendation that it ensure close monitoring of the contracts and, in case the work was below standard and there was delay in implementation, apply remedies in accordance with the contract conditions and, if feasible, terminate the contract as a matter of urgency to avoid further delay in the completion of the project and cost escalation, considering the associated risk and benefits.**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

514. UNRWA is in the process of drafting a policy to ensure the close monitoring of contracts.

515. **In paragraph 108 of its report, the Board recommended that the Jordan field office: (a) ensure that project proposals with a detailed workplan were prepared, in the interests of efficient project implementation and monitoring and to solicit funds; (b) improve preliminary survey and design of construction and maintenance projects and, where feasible, prepare cost estimates on the basis of more detailed information to enable improved accuracy of the cost estimate to be submitted to the donor in order to avoid major changes in the scope of work during project implementation; and (c) ensure that monthly reports were submitted to the donor to comply with the funding agreement.**

Department responsible:	Department of Infrastructure and Camp Improvement
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

516. With regard to parts (a) and (b) of this recommendation, UNRWA will ensure that they are implemented for future projects. Regarding part (c), UNRWA will ensure that reports are submitted to donors in a timely manner, as stipulated in funding agreements.

517. **In paragraph 119 of the report, UNRWA agreed with the Board's recommendation that it develop and deploy a web page for the Department of Security and Risk Management on the Agency intranet in order to improve sharing of security governance documents and other key security-related information and to use the page as a platform to carry out an online security awareness campaign.**

Department responsible:	Department of Security and Risk Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

518. As part of its three-year strategy, the Department of Security and Risk Management is updating the Agency's security governance framework, policies and guidelines and will provide a guide on best practices to staff in the field. It is expected that this effort will result in the implementation of policies, guidelines and standard operating procedures that will have an impact on the daily operations and behaviour of staff.

519. **In paragraph 123 of its report, the Board recommended that UNRWA expedite the process of developing business continuity plans for headquarters and field offices to improve continuity of service delivery and enhance the security and safety of the Agency's resources during major incidents.**

Department responsible:	Department of Planning
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

520. Business continuity planning has been prioritized for headquarters functions in Gaza and Amman. The development of business continuity plans for other field offices will follow as part of the development of an Agency-wide emergency management framework.

521. **In paragraph 153 of its report, the Board recommended that the West Bank field office: (a) establish a succession plan on the recruitment section so that the absence of one person did not obstruct the recruitment process; and (b) streamline the recruitment process among the hiring departments and human resources and ensure that the detailed interview reports were submitted for appointment within an agreed period after the completed interviews with a view to minimizing delays in the recruitment process.**

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2019

522. With regard to part (a) of this recommendation, the human resources office of the West Bank field office has in place the measures necessary to provide office coverage to ensure the continuity of tasks and the recruitment process in the event of any absences. This succession plan is managed within the relevant teams and with oversight by the supervisors. Regarding part (b), UNRWA has taken initiatives to implement the Agency's recruitment reform, which both addresses these points and drives significant improvement in the overall process. Human resources offices at both headquarters and the West Bank field office have taken steps to streamline the recruitment process among the hiring departments to ensure that detailed interview reports are prepared in accordance with the Agency's standards and that recruitment delays are minimized. Improvements in the recruitment timeline as a result of the reforms that have been implemented are expected within the next 6 to 12 months.

523. **In paragraph 167 of its report, the Board recommended that UNRWA: (a) expedite the process of recovering the overpaid amount from separation benefits; (b) improve the review process for the computation of staff separation benefits before payment was made; (c) ensure that the accrued annual leave**

balance in the e-leave system was supported by confirmation from the hiring department before authorizing the leave encashment, in order to avoid overpayment; and (d) adjust the overpaid amount for area staff and international staff in the financial statements to recognize the account receivable and derecognize the expense by the same amount.

Department responsible:	Department of Human Resources
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

524. Parts (b), (c) and (d) of this recommendation have been determined by the Board to have been implemented. With regard to part (a), UNRWA has made repeated efforts to recover the overpaid amounts without success, and therefore management has requested advice from the Legal Department on its proposed decision on write-off of the amounts.

525. **In paragraph 186 of the report, UNRWA agreed with the Board's recommendation that it: (a) regularly conduct information security policy awareness training for its staff in order to improve information security practice at the Agency; and (b) ensure that the Security and Safety Section classified security information on the basis of its criticality and sensitivity in accordance with the information security policy.**

Department responsible:	Information Management Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

526. Part (a) of this recommendation has been determined by the Board to have been implemented, since UNRWA conducted training on information security policy awareness in 2017. Regarding part (b), the classification of security information is still in progress.

527. **In paragraph 195 of the report, UNRWA agreed with the Board's recommendation that it: (a) develop an internal audit manual that would guide the audit process and provide the Department with practical guidance and information for managing the internal audit activity, planning, execution and reporting of engagements; and (b) expedite the recruitment process for the vacant posts to allow smooth implementation of the 2017 audit plan.**

Department responsible:	Department of Internal Oversight Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

528. With regard to part (a) of this recommendation, the process of developing the audit manual is under way. Part (b) has been determined by the Board to be closed.

529. **In paragraph 211 of its report, the Board recommended that the Microfinance Department: (a) improve coordination between information technology and human resources departments [illegible] that access for every separating employee was revoked on the last day of employee service; (b) ensure that the use of the accounts of separated employees was accompanied by formal, documented exemption and approval by management to justify such access; and (c) ensure that separating employees' accounts were deleted as part of the clearance procedures.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

530. Validation for accounts and cross-checking are conducted between the Microfinance Department, the Information Management Department and the Department of Human Resources on a quarterly basis. A user access control policy for software applications is being finalized.

531. **In paragraph 220 of its report, the Board recommended that the Microfinance Department: (a) include external members on the Advisory Board as required by organizational directive No. 25 in order to benefit from their independent technical experience and expertise on microfinance operations within and outside the region; and (b) ensure that the Advisory Board included members as specified in organizational directive No. 25 of 2003.**

Department responsible:	Microfinance Department
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

532. UNRWA is in the process of appointing two external members to the Microfinance Department Advisory Board.

VIII. United Nations Institute for Training and Research

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[22]

533. Table 19 summarizes the status of implementation of the main recommendations of the Board as of August 2018.

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[22] A/73/5/Add.5, chap. II.

Table 19

Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Operations	4	–	1	3	3	–
Division for Strategic Planning and Performance	2	–	–	2	2	–
Total	**6**	**–**	**1**	**5**	**5**	**–**

534. Table 20 summarizes the status of implementation of all recommendations of the Board as of August 2018.

Table 20

Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Operations	5	–	2	3	3	–
Division for Strategic Planning and Performance	2	–	–	2	2	–
Total	**7**	**–**	**2**	**5**	**5**	**–**

535. **In paragraph 29 of its report, the Board recommended that the United Nations Institute for Training and Research (UNITAR) continue to ensure that it had concluded appropriate VAT exemption agreements where possible and was using up-to-date VAT forms.**

Department responsible:	Division for Operations
Status:	Closure requested
Priority:	High
Target date:	Not applicable

536. UNITAR has obtained the updated Swiss VAT exemption form, which is now in use. At the Hiroshima, Japan, office, UNITAR has applied and obtained the VAT exemption status from the Government of Japan, which allows UNITAR to seek a VAT exemption from specific vendors. UNITAR considers this recommendation to have been fully implemented and requests its closure by the Board.

537. **In paragraph 35 of its report, the Board recommended that UNITAR review its funding policy for after-service health insurance liabilities in the light of the approach set out by the Controller.**

Department responsible:	Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

538. UNITAR has proposed to charge 4 per cent of the total of base salary and post adjustment less staff assessment for the after-service health insurance liabilities, instead of the current 1 per cent. After the calculation of the impact of the proposed increase on the existing approved project budgets, as well as on subsequent budget revisions and approvals, UNITAR expects that the recommendation will be implemented by the end of the fourth quarter of 2019.

539. **In paragraph 43 of its report, the Board recommended that UNITAR define criteria for awarding ratings to ensure comparability among consultants.**

Department responsible:	Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

540. UNITAR is exploring the development of an online system to help with the implementation of this recommendation by the end of 2019.

541. **In paragraph 44 of its report, the Board recommended that UNITAR establish a roster that linked consultants' performance evaluations to their respective fields of expertise.**

Department responsible:	Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

542. UNITAR is exploring the development of an online system with a roster that links the consultant's performance evaluation to the consultant's field of expertise by the end of 2019.

543. **In paragraph 50 of its report, the Board recommended that UNITAR replace paragraphs 8 to 10 of its Anti-Fraud and Anti-Corruption Policy with the respective parts of the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat.**

Department responsible:	Division for Strategic Planning and Performance
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

544. UNITAR is in the process of revising its Anti-Fraud and Anti-Corruption Policy, as recommended by the Board.

545. **In paragraph 56 of its report, the Board recommended that UNITAR include internal committee work carried out by staff members in their performance evaluations.**

Department responsible: Division for Operations

Status: Close requested

Priority: Medium

Target date: Not applicable

546. UNITAR has formalized an internal procedure whereby the respective programme managers are accountable for acknowledging the internal committee work carried out by staff members in their performance evaluations.

547. **In paragraph 61 of its report, the Board recommended that UNITAR include fraud, corruption and misuse of resources by UNITAR staff as risk factors in the enterprise risk management system that was currently under development.**

Department responsible: Division for Strategic Planning and Performance

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

548. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.5, chap. II), the Board provided a summary of the status of implementation of the three recommendations listed as outstanding from prior periods. The information is set out below in the order in which the recommendations are presented in the annex.

549. Table 21 summarizes the overall situation as of August 2018.

Table 21
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Operations	2	2	–	–	–
Division for Strategic Planning and Performance	1	1	–	–	–
Total	**3**	**3**	–	–	–

Report of the Board for the year ended 31 December 2015[23]

550. **In paragraph 45 of its report, the Board recommended that UNITAR establish an entity-level risk register to identify and manage risks outside the scope of its current project risk management.**

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[23] A/71/5/Add.5, chap. II

Department responsible:	Division for Strategic Planning and Performance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

551. UNITAR has established an entity-wide risk register that is commensurate with the size and scope of the Institute's operations. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

Report of the Board for the year ended 31 December 2016[24]

552. **In paragraph 45 of its report, the Board recommended that UNITAR raise the awareness of donors that it was important that recruitment be in line with the United Nations policies on the general elimination of discrimination and that costs emerging from these policies be covered by the project funds.**

Department responsible:	Division for Strategic Planning and Performance
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

553. UNITAR updated its policy guidelines for agreements with financial implications for the acceptance of voluntary contributions for specific purposes and added the following paragraph: "UNITAR supports a non-discriminatory work environment consistent with United Nations policy, and any related costs as they may arise are to be charged to project funds in consultation with the donor." The incorporation of that paragraph into the policy ensures that all donors are consulted and informed that recruitments of personnel for projects funded by those donors are in line with United Nations policies. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

554. **In paragraph 46 of its report, the Board recommended that UNITAR examine which measures were suitable to create a non-discriminatory and inclusive working environment.**

Department responsible:	Division for Operations
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

555. A standard paragraph was introduced into vacancy announcements, as follows: "UNITAR is committed to achieving workforce diversity in terms of gender, nationality and culture. Qualified women, individuals from minority groups, indigenous groups and persons with disabilities are equally encouraged to apply. All applications will be treated with the strictest confidentiality." UNITAR contacted its landlord to address the issue of accessibility. The landlord confirmed that the building met some of the standards required under the new legislation and that the landlord

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[24] A/72/5/Add.5, chap. II.

was in the process of studying the possibility of further improvements. In addition, the technical standards for computer equipment required by staff with disabilities, such as screen readers and Braille keyboards, will be introduced as necessary, using project funds and in agreement with the relevant donors. A focal point for disability matters has been designated. UNITAR considers this recommendation to have been implemented and requests its closure by the Board.

IX. Voluntary funds administered by the United Nations High Commissioner for Refugees

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[25]

556. Table 22 summarizes the status of implementation of the main recommendations as of August 2018.

Table 22
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	1	–	–	1	1	–
Division of Financial and Administrative Management	1	–	–	1	1	–
Division of Human Resources Management	3	–	–	3	3	–
Division of Information Systems and Telecommunications	2	–	–	2	2	–
Division of Programme Support and Management	4	–	–	4	4	–
Division of Resilience and Solutions	1	–	–	1	1	–
Enterprise Risk Management Unit	2	–	–	2	2	–
Regional bureaux	1	–	–	1	1	–
Multiple offices	1	–	–	1	1	–
Total	**16**	**–**	**–**	**16**	**16**	**–**

557. Table 23 summarizes the status of implementation of all recommendations as of August 2018.

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[25] A/73/5/Add.6, chap. II.

Table 23
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	8	–	–	8	5	3
Division of Financial and Administrative Management	6	–	–	6	6	–
Division of Human Resources Management	9	–	–	9	8	1
Division of Information Systems and Telecommunications	4	–	–	4	4	–
Division of Programme Support and Management	10	–	–	10	9	1
Division of Resilience and Solutions	1	–	–	1	1	–
Enterprise Risk Management Unit	3	–	–	3	3	–
Regional bureaux	7	–	–	7	6	1
Multiple offices	1	–	–	1	1	–
Total	**49**	–	–	**49**	**43**	**6**

558. **In paragraph 21 of its report, the Board recommended that the Office of the United Nations High Commissioner for Refugees (UNHCR) establish a process of monitoring imminent camp closures so that any constructive obligation or contingent liability would be adequately reflected in the financial statements.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

559. UNHCR will obtain information on imminent camp closures through the self-certification internal controls checklist that is submitted by each representation office as part of the standard year-end procedures for the closing of accounts. Representatives of each field office will be required to include confirmation that no camp closures are imminent or, if any such closures are expected, to calculate and disclose to UNHCR headquarters the estimated amount of any constructive obligations. All responses will be centrally analysed to ensure that the appropriate accounting is applied for the annual financial statements.

560. **In paragraph 26 of its report, the Board recommended that UNHCR establish a process to highlight agreements subject to parliamentary approvals in the Managing Systems, Resources and People (MSRP) platform to facilitate the review process and to support the asset recognition assessment under IPSAS 23.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

561. Agreements signed in 2018, which are subject to parliamentary approval, are being tracked in the MSRP system.

562. **In paragraph 30 of its report, the Board recommended that UNHCR enhance the list of controls aimed at responding to the risk of fraud and corruption with regard to the financial statements. The control frequency, a control owner and a responsible person for monitoring should be documented in the list. Furthermore, manual detective controls should be added to verify the functioning of automated controls**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2018

563. UNHCR is enhancing the list of internal controls by adding information on control frequency and the control owner. UNHCR will also identify core manual controls to be applied in order to validate the functioning of automated controls.

564. **In paragraph 37 of its report, the Board recommended that UNHCR ensure that country operations implemented cash-based interventions when approved standard operating procedures were in place, in line with the administrative instruction on cash-based interventions.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

565. UNHCR country operations are authorized to start the implementation of cash-based interventions based on the completion of the standard operating procedures in accordance with the template provided in the administrative instruction and the relevant functional consultations held with UNHCR headquarters. Specific contextual country and operational needs and requirements are further substantiated, and the standard operating procedures are revised, as applicable. In addition, clearances are obtained from headquarters throughout the various stages before the final approval of the standard operating procedures is granted by the representative. In order to strengthen monitoring, UNHCR has established a tracking tool to record and follow up on standard operating procedures related to cash-based interventions that are submitted to headquarters by the country operations.

566. **In paragraph 46 of its report, the Board recommended that UNHCR strengthen the monitoring and evaluation of cash-based intervention training impacts. The Board encouraged UNHCR to expand in-depth, on-site cash-based intervention training and the training of participants who could multiply knowledge and capacities, that is, training the trainer or training the supervisor.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

567. Based on experience from previous years, UNHCR is adapting its capacity-building strategy in 2018. Having determined that functional experts would better benefit from targeted field support courses, UNHCR has adopted a revised approach that focuses on delivering cash-based intervention training in functional areas where specific knowledge is required, such as supply, protection and finance. In addition, the cash-based intervention learning programmes have adopted a regional approach, in which key staff from each operation in a region work together for a specific, practical, cash-based intervention project to be implemented in their operations.

568. **In paragraph 52 of its report, the Board recommended that UNHCR enhance the mechanisms for monitoring the cash-based intervention documents used by country operations by issuing additional guidance, conducting training and standardizing the key documentation required to be maintained as substantiation of the cash-based intervention transactions to the extent applicable when considering the local context.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

569. UNHCR headquarters issued an administrative instruction in 2017 to guide the field operations with regard to the cash-based intervention process. The instruction included requirements designed to contribute to the standardization of key documents to ensure the transparency, traceability and accountability of cash-based intervention funds. However, the operational context and the methods of implementation of cash-based interventions differ from operation to operation. Accordingly, full standardization may not always be feasible or cost effective, and a certain level of flexibility and diversity is required. UNHCR headquarters will continue to review the country standard operating procedures and advise the field offices on requirements and best practices to maintain a consistent and clear trail of core documents substantiating the cash-based intervention transactions, while taking into account the unique country-specific context, as applicable.

570. **In paragraph 53 of its report, the Board encouraged UNHCR to further strengthen its guidance to country operations to enhance cash-based intervention refund and cut-off procedures.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

571. The administrative instruction that was issued in 2017 provided details on recording cash-based intervention expenses and refunds during a financial year, including the period between two financial years, known as cut-off procedures. While the responsibilities of country operations with respect to the monitoring of refunds were emphasized in that instruction, UNHCR will take further action to strengthen the knowledge of field operations by disseminating additional guidance specifically designed to clarify processes regarding refunds and cut-off procedures. UNHCR headquarters will also conduct analytical reviews of cash-based intervention accounts and directly interact with country operations to minimize errors in recording cash-based intervention refunds at the country level.

572. **In paragraph 63 of its report, the Board recommended that the country operations better incorporate the project control quality assurance function in the process of establishing project partnership agreements.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

573. UNHCR will further empower the project control function across the organization so that better quality assurance is achieved in the process of establishing partnership agreements. UNHCR has developed various tools to assist in quality assurance. For example, one tool is a template for a quality assurance checklist that needs to be completed before the signature of a project partnership agreement. Another example is an automated tool for checking UNHCR contributions to partners' personnel costs or for headquarters project support costs. With the dissemination and greater use of these tools by the country offices, it is expected that quality assurance will progressively improve.

574. **In paragraph 69 of its report, the Board recommended that during the results-based management review project UNHCR assess whether it was possible and useful to include the determination of baselines for output indicators into the new results-based management system. If the assessment concluded that this was useful, the Board recommended that UNHCR use such baselines to enhance the information given in the project description.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

575. UNHCR is currently reviewing the conceptual design for its future results-based management. As part of this review and as further development of the future results framework advances, UNHCR will assess the feasibility of having baselines for indicators, as recommended by the Board, and take an informed decision in this regard.

576. **In paragraph 76 of its report, the Board recommended that UNHCR assess the newly introduced periodic progress report template with regard to the completeness of the information needed. The assessment should include whether the new template had led to increased usability.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

577. UNHCR will monitor the use of the newly simplified periodic reporting format and make the necessary adjustments as and when required.

578. **In paragraph 81 of its report, the Board recommended that country operations assess the quality of partners' financial and performance reporting. In cases of low reporting quality, the country operations should take appropriate measures to improve reporting quality. The Board further recommended that UNHCR establish best practices and share them with operations.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

579. UNHCR country operations are required to assess and monitor their partners' financial and performance reporting through periodic verification visits and reviews by multifunctional teams. To assist in this process, country operations may use the standard templates developed by headquarters. In addition, where resources are available, training workshops have been held or are scheduled to take place to build the capacity of partners' staff in the areas of project management and to provide them with a better knowledge of UNHCR procedures and rules. The Division of Financial and Administrative Management and the regional bureaux will regularly organize consultations on the most effective ways of sharing best practices with country operations in a harmonized and consistent manner. All of these tools, supported by the commitment of both UNHCR and its partners, will gradually contribute to improvement in the quality of financial and performance reporting.

580. **In paragraph 88 of its report, the Board recommended that country operations enhance project planning for construction projects implemented by partners. The country operations should initiate corrective measures such as getting support from regional service centres in cases of lack of capacity or resources to plan and monitor projects adequately.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

581. UNHCR will further explore mechanisms, through assistance provided from the regional centres or from headquarters, to better support country operations in their planning and monitoring of construction projects implemented by partners. The regional bureaux will be required to play a more active role in liaising between country operations and other relevant stakeholders in the organization, to ensure that technical support is secured early in the planning process.

582. **In paragraph 99 of its report, the Board recommended that UNHCR formulate a corporate position on Sustainable Development Goals engagement.**

Department responsible:	Division of Resilience and Solutions
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

583. Based on its strategic directions for 2017–2021, UNHCR is formulating a corporate position on the Sustainable Development Goals, with inputs from operations, divisions and regional bureaux, which will be presented for review and endorsement by the senior executive team.

584. **In paragraph 100 of its report the Board recommended that, based on the corporate position, UNHCR operationalize its Sustainable Development Goals engagement.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

585. Based on the corporate position that is being developed, as mentioned above, UNHCR will prepare a plan for the operationalization of its Sustainable Development Goals engagement.

586. **In paragraph 108 of its report, the Board recommended that, based on its corporate position on Sustainable Development Goal engagement, UNHCR develop a results-based management system that was able to reflect the position of UNHCR on Sustainable Development Goals engagement in order to demonstrate its contributions to the achievement of the Goals in the long term.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

587. The ongoing revision of the results-based management system gives priority to facilitating the country-level planning processes and the measuring of results. The alignment of the Sustainable Development Goals within the future results-based management system will also be considered, with a primary focus on how the country-based results chain can assist the field operations in expressing their contribution to the country-specific endeavours with respect to the Sustainable Development Goals, which are typically led by the Government and supported by the United Nations country team. The actual implementation in the field operations of the decision made with respect to the reflection of the parameters of the Goals in the results-based management system will only take place upon finalization of the entire results-based management project.

588. **In paragraph 109 of its report, the Board recommended that UNHCR identify data sources and establish baselines for measuring its contribution to the Sustainable Development Goals so as to be able to prepare data processing as soon as the new results-based management system had been launched.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

589. As mentioned above, the mechanism for incorporating the Sustainable Development Goals in the new results-based management system will be developed as part of the conceptual design and content development of the new results framework, while the actual data processing will only start with the rollout of the new results-based management system.

590. **In paragraph 113 of its report, the Board recommended that UNHCR conduct an analysis of the human resources requirements for operationalizing the newly developed corporate position on the Sustainable Development Goals and develop or refine its training to cover identified needs, if any.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

591. Based on the findings of a survey on activities related to the Sustainable Development Goals, UNHCR, through its global learning centre, will undertake a specific analysis to identify existing learning needs, the staff grades to be targeted and the content areas of potential learning activities. These needs will be mapped against the training related to the Sustainable Development Goals that is available in

the learning portfolio. The development of new training content will be considered for any knowledge or skills gaps identified.

592. **In paragraph 114 of its report, the Board recommended that, based on the corporate position and the identified human resources needs, UNHCR refine job profiles and recruit or post staff accordingly.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

593. As part of the project entitled "Knowing our jobs and our people", the Division of Human Resources Management is working with key functions in the organization to review and revise job profiles. It will render job descriptions more standard in nature and relevant to the current and emerging needs of the organization. A comprehensive skills review will also be included as part of this project, and the new skills identified, including those relevant to the Goals, will be included in the revised job descriptions. However, for the most part it is expected that the Goals will be mainstreamed into existing functions.

594. **In paragraph 119 of its report, the Board recommended that UNHCR develop more specific guidance on how to implement the corporate position on the Sustainable Development Goals.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

595. Once a corporate position on the Sustainable Development Goals is endorsed, UNHCR will develop programmatic guidance for the field offices on the Goals, in an effort to achieve coherence across the organization to the extent possible. This guidance will take into account the United Nations system-wide guidance on the Goals and will be based on the UNHCR corporate approach.

596. **In paragraph 120 of its report, the Board recommended that UNHCR define reasonable targets for developing, implementing and managing the engagement of country operations in the Sustainable Development Goals so as to support an effective and coherent approach for UNHCR engagement in the Goals in the field.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

597. The targets for UNHCR engagement in the Sustainable Development Goals at the field level will be developed as part of the operationalization of the corporate position and will be part of the programming guidance.

598. **In paragraph 126 of its report, the Board recommended that, based on the corporate position and guidance to operationalize that position, country operations map and align current approaches so as to develop a plan on how they intended to support the national Governments in implementing the Sustainable Development Goals through support, where applicable, of the comprehensive refugee response framework, the United Nations country teams and the implementation of the United Nations Development Assistance Framework.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

599. Based on the corporate position on the Sustainable Development Goals, UNHCR country offices will include in their respective operation plans information on how to support national Governments in the implementation of the United Nations Development Assistance Framework and other Sustainable Development Goals processes, in line with the comprehensive refugee response framework and the multi-year, multi-partner strategy in those countries, as applicable.

600. **In paragraph 130 of its report, the Board recommended that country operations further refine the risk registers in place to better capture risks deriving from Sustainable Development Goals engagement, the multi-year, multi-partner planning process, where applicable, and the engagement for the comprehensive refugee response framework.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

601. Country operations are further refining their risk registers as part of the periodic risk assessment exercise required by the enterprise risk management policy and procedures. Several country operations have recently organized workshops, or are planning to organize workshops in the coming months, to analyse and better reflect the risks specifically associated with Sustainable Development Goals engagement, the comprehensive refugee response framework approach and the multi-year, multi-partner planning process.

602. **In paragraph 134 of its report, the Board recommended that UNHCR systematically collect country-level case examples of engagement in support of the Sustainable Development Goals so as to ensure knowledge transfer and provide adequate management responses.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

603. A country-level case study on the examples of engagement in support of the Sustainable Development Goals will be undertaken as part of the operationalization of the corporate position on the Goals.

604. **In paragraph 145 of its report, the Board recommended that UNHCR country operations refine their risk assessments with regard to the identification of areas that were vulnerable to fraud and corruption.**

Department responsible:	Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

605. While fraud risk assessment is already embedded in the enterprise risk management processes, country operations are continuing to refine the risks captured in their registers. To support the country operations, UNHCR headquarters will share additional guidance with the risk management focal points, as part of the next risk review. The focal points in charge of risk management will be advised to discuss with management, staff and partners to ensure that the results of the fraud and corruption risk assessment are considered in the process of planning, setting priorities, monitoring and other decision-making processes. The recently issued UNHCR handbook on fraud and corruption prevention, detection and reporting will form the underlying basis for initiating more structured fraud risk assessments at the country level. Similarly, in-depth, overall analysis will be carried out by the Enterprise Risk Management Unit on risks identified at the corporate level.

606. **In paragraph 148 of its report, the Board recommended that UNHCR country operations develop or enhance comprehensive overall anti-fraud and anti-corruption strategies that were customized to the local context when the risk assessment of a country operation revealed a higher vulnerability to fraud and corruption.**

Department responsible:	Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

607. UNHCR is focusing on those country operations that have been identified as the most risk prone as part of its risk management 2.0 initiative. The initiative is designed to ensure that operational and management risks are consistently taken into account in strategic planning and decision-making, with the intent of proactively identifying and preventing potential fraud and corruption. The Enterprise Risk Management Unit, in collaboration with the regional bureaux and the relevant functional units, will provide support to selected operations in developing the strategy and will ensure a harmonized approach.

608. **In paragraph 152 of its report, the Board recommended that UNHCR country operations not selected for the risk management 2.0 initiative assess whether international staff could serve as a first contact point for staff of an office with regard to fraud and corruption prevention.**

Department responsible:	Enterprise Risk Management Unit
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

609. UNHCR is exploring ways to identify the first contact points at the country level. A standardized approach could be to appoint the Deputy Representatives or Assistant Representatives to carry out this role, as they have a good overview of the operations. Other alternatives could be to attribute this role to the risk management focal points, as they coordinate the overall risk management process in an operation, or to establish risk and compliance checking capacities in the bureaux that could cover several smaller or lower risk operations altogether.

610. **In paragraph 155 of its report, the Board recommended that UNHCR country operations assess whether job rotation for national staff could be a useful measure to mitigate fraud and corruption risks. Such a job rotation process for national staff should be designed and developed depending on the organizational structure, responsibilities, skill sets and risk profiles.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Ongoing

611. Country offices are being encouraged to explore job rotation possibilities for their national staff so that staff do not perform the same tasks for prolonged periods of time, which could lead to weakened controls. For example, national staff may be encouraged to apply for new positions within the same office or managers may find opportunities to assign their staff to different tasks, where possible, as a means of job enrichment and mitigation of the risk of fraud and collusion.

612. **In paragraph 162 of its report, the Board recommended that UNHCR continue to actively promote the awareness of staff, partners, intermediaries and persons of concern of the negative impacts of fraud, corruption and sexual exploitation and abuse.**

Departments responsible:	Enterprise Risk Management Unit, Ethics Office, Division of Financial and Administrative Management, and regional bureaux
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

613. The risk management 2.0 initiative will contribute to addressing this recommendation, as one of the key objectives of the initiative is to increase integrity and to prevent fraud and corruption. Furthermore, several country operations are already working with the Ethics Office to undertake campaigns or to circulate information in the form of video clips, quizzes and general reminders on issues such as sexual harassment, exploitation and abuse.

614. **In paragraph 163 of its report, the Board recommended that UNHCR country operations refine local training approaches on fraud and corruption prevention. Training programmes should be provided on a regular basis and be tailored to the daily work requirements, assigned responsibilities and the cultural context.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

615. UNHCR will ensure that each staff member takes the e-learning programme on the prevention of fraud and corruption that is already available. UNHCR will also explore the feasibility of asking country operations to develop localized training specific to the respective operational and cultural contexts. Efforts in this regard will be made primarily in those high-risk operations that receive dedicated staffing support through the risk management 2.0 initiative.

616. **In paragraph 172 of its report, the Board recommended that UNHCR enhance compliance with its policy and standard operating procedures on individual consultants, ensure effective consultant contract management and consider centralizing some tasks of the hiring units to obtain a higher level of specialization.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

617. UNHCR is taking the following steps in response to this recommendation: (a) reviewing the policy on consultants; (b) elaborating new standard operating procedures to strengthen, among other things, the segregation of duties and the process of granting waivers; (c) developing a fee calculation tool; (d) developing a checklist of required actions: and (e) widening the scope of the clearance process by the Division of Human Resources Management in the hiring of consultants.

618. **In paragraph 173 of its report, the Board recommended that UNHCR assess whether an automated system control in the UNHCR MSRP platform could be established for cases exceeding the threshold of $150,000.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

619. The Division of Human Resources is working closely with other relevant divisions in UNHCR to design and implement the necessary modifications in the finance module of the MSRP platform to enable automatic flagging when the threshold is exceeded.

620. **In paragraph 174 of its report, the Board recommended that UNHCR establish a UNHCR-wide control to prevent duplicate payments of consultant fees from headquarters bank accounts in parallel with payments from an operation's bank account.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

621. UNHCR is examining the root cause of the weakness that was detected by the Board and will design a control in the MSRP platform to enable automatic flagging when multiple payments are made by different offices to the same consultant for the same period of time.

622. **In paragraph 181 of its report, the Board recommended that UNHCR review its policy and the standard operating procedures for the use of individual consultants. During this process, UNHCR should enhance the guidance on advertising requirements, the segregation of duties, waiver processes, processes to determine and negotiate the consultants' fees, documents supporting the payment reconciliation and the file management process.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

623. UNHCR is revising the policy and procedures on consultants to include more guidance on advertising requirements, establishing the fees to be paid, segregation of duties and the process of obtaining waivers.

624. **In paragraph 192 of its report, the Board recommended that UNHCR continue to actively promote and further strive for equal access to employment opportunities within UNHCR for persons with disabilities.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

625. UNHCR continues to actively promote equal access to employment opportunities for persons with disabilities, guided by the principles of inclusion and diversity. UNHCR appointed a senior adviser on inclusion, diversity and gender to drive this initiative. The adviser is supported by an inclusion, diversity and gender challenge team that represents the views of minority groups. In addition, UNHCR is planning to nominate a focal point for persons with disabilities to ensure broader outreach and support to such persons, including at the recruitment phase.

626. **In paragraph 193 of its report, the Board recommended that UNHCR review the People Strategy implementation plan and data sources so as to be able**

to monitor progress until the new policy and corresponding monitoring framework for diversity and inclusion was established in 2019.

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

627. UNHCR has recently conducted a review of the Division of Human Resources Management using a holistic approach in order to understand its current challenges and opportunities. As a result of the review, five strategic priorities were established that will underpin the implementation of the human resources strategy in UNHCR. The aspects regarding inclusion, diversity and gender equity, as well as the needs of persons with disabilities, form an integral component of the implementation plan for the strategic priorities arising from this review. Furthermore, enhancements in the collection of the relevant data are expected with the planned establishment of a systems and people analytics section in the Division of Human Resources Management in 2019.

628. **In paragraph 194 of its report, the Board recommended that UNHCR consider appointing a regular staff member as the focal point for disability issues at headquarters in order to institutionalize the function within its organizational structure.**

Department responsible:	Division of Human Resources Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

629. In addition to the senior adviser on inclusion, diversity and gender mentioned above, one staff member will be assigned as focal point for employment opportunities and another staff member will be appointed as focal point to address physical and medical accessibility requirements for persons with disabilities.

630. **In paragraph 198 of its report, the Board recommended that UNHCR assess whether the global warehouse in Copenhagen provided a cost-effective solution for UNHCR. Alternative options should be considered.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

631. UNHCR is conducting an analysis of the Copenhagen warehouse and will assess other alternative options, taking all parameters, including cost aspects, into account.

632. **In paragraph 199 of its report, the Board recommended that UNHCR review the suitability of global warehouses on a periodic basis.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Ongoing

633. UNHCR will conduct periodic reviews of the suitability of global warehouses.

634. **In paragraph 202 of its report, the Board recommended that UNHCR conduct an annual stock count for as long as it kept stock in the warehouse in Copenhagen. Furthermore, the Board recommended that UNHCR establish a methodology for the annual stock counts, as already agreed between UNICEF and UNHCR.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

635. UNHCR will organize stock counts annually and will establish a methodology for the annual stock counts in the warehouse in Copenhagen if the warehouse continues to be used.

636. **In paragraph 213 of its report, the Board recommended that UNHCR assess how more efficient management of core relief items in stock, which included supplies of country operations, could be put in place. The assessment should address the question as to whether UNHCR might be seen as one organization with regard to "ownership" of its inventories**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Second quarter of 2020

637. UNHCR is assessing ways to achieve more efficient management of core relief items in stock at the global level and will develop a model accordingly. Relevant divisions, bureaux and other stakeholders will jointly explore ways in which various offices within UNHCR could collaborate from an operational and financial perspective in order to increase the efficiency of managing core relief items.

638. **In paragraph 214 of its report, the Board recommended that the Division of Emergency, Security and Supply review all UNHCR inventories on a periodic basis and, if the observations from these reviews permitted it, advise regional bureaux and country operations about opportunities for efficient stockpile management at the country level.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Ongoing

639. UNHCR will further explore the feasibility of conducting such reviews periodically, as well as alternative work allocations that could be adopted to address this recommendation.

640. **In paragraph 222 of its report, the Board recommended that UNHCR initiate an internal stakeholder process to assess how more efficient order placement and procurement processes could be put in place.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

641. UNHCR will conduct an assessment of the ordering process, using one or two typical core relief items as examples, to identify ways to increase efficiency in the order placement process. Based on the lessons learned from the assessment, UNHCR will then lead consultations with country operations, relevant divisions and bureaux to seek input on possible changes in the order placement process.

642. **In paragraph 226, the Board recommended that UNHCR identify further opportunities for the consolidation of requirements, either at the regional or even the global level.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Ongoing

643. UNHCR will continue to monitor purchasing trends and look for opportunities to consolidate procurement requirements at different levels. UNHCR will also conduct periodic reviews of its overall requirements.

644. **In paragraph 229 of its report, the Board recommended that UNHCR expedite its revision of chapter 8 of the UNHCR Manual in order to ensure that staff gained access to consistent and reliable guidance on procurement procedures.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Ongoing

645. UNHCR continues to work on updating chapter 8 of the UNHCR Manual with respect to those sections concerning procurement, with the aim of publishing a revised document by the end of 2018.

646. **In paragraph 234 of its report, the Board recommended that UNHCR include the remaining applications in the disaster recovery plan to increase their data security.**

Department responsible:	Division of Information Systems and Telecommunications
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

647. UNHCR will include the remaining applications in the disaster recovery plan as recommended by the Board

648. **In paragraph 235 of its report, the Board recommended that UNHCR establish an ICT disaster recovery guideline as part of overall business continuity management.**

Department responsible:	Division of Information Systems and Telecommunications
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

649. UNHCR is in the process of establishing an ICT disaster recovery guideline.

650. **In paragraph 240, the Board recommended that UNHCR implement comprehensive backup and disaster recovery guidelines in every country operation. The guidelines should be embedded in the local business continuity management.**

Department responsible:	Division of Information Systems and Telecommunications
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

651. The Division of Information Systems and Telecommunications will include the backup and disaster recovery guidelines in the ICT manual, and each country operation will then be required to embed the requirements of the revised ICT manual in their respective business continuity plans.

652. **In paragraph 244 of its report, the Board recommended that UNHCR review responses from the field to the checklist on ICT general computer controls for UNHCR field operations and that country operations take timely steps to address any significant weaknesses.**

Department responsible:	Division of Information Systems and Telecommunications
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

653. The assessment questionnaire will be included in the ICT manual. UNHCR will further define reporting formalities with regard to the status and progress of the action plans resulting from the assessment process, while the country operations will remain responsible for implementing their respective action plans.

654. **In paragraph 249 of its report, the Board recommended that UNHCR use the newly introduced travel module in its enterprise resource planning software to analyse why the compliance with the policy on travel for official purposes was low and, based on this analysis, that UNHCR assess how cost-effective prices for flight bookings can be achieved.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

655. The UNHCR travel policy requires that travel arrangements be finalized at least 16 days in advance of the departure date so that the organization can benefit from better prices. UNHCR is implementing a new travel module in the MSRP platform dedicated to processing travel authorizations and claims. This new functionality requires, among other things, that travellers disclose in the travel authorization the reasons for non-compliance with the 16-day rule. UNHCR will implement new reports and dashboards using the travel data obtained from the new travel module to conduct periodic monitoring. Such monitoring will lead to improvements in compliance with air travel policies and will facilitate the identification of measures to further increase efficiency gains or to lower direct travel costs.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

656. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.6, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided in table 24 on the 18 recommendations that were have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

657. Table 24 summarizes the overall situation as of August 2018.

Table 24
Status of implementation of recommendations from prior periods considered by the Board as not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division of Emergency, Security and Supply	3	–	–	3	3	–
Division of Financial and Administrative Management	3	–	1	2	2	–
Division of Information Systems and Telecommunications	1	–	–	1	1	–
Division of Programme Support and Management	7	–	–	7	7	–
Enterprise Risk Management Unit	1	–	–	1	1	–
Regional bureaux	3	–	–	3	3	–
Total	**18**	–	**1**	**17**	**17**	–

Report of the Board for the year ended 31 December 2016[26]

658. **In paragraph 39 of its report, the Board recommended that country operations determine the numbers and types of vehicles needed to meet operational needs and document the underlying assumptions and how country operations arrived at their estimates. In case country operations needed assistance with respect to an accepted methodology to estimate the number and types of vehicles needed for the operation, the Board encouraged them to liaise with the Assets and Fleet Management Section at headquarters for advice or additional guidance.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

659. Based on the recently issued guidance, country offices have been required to fill in planning sheets for their fleets. These sheets were reviewed and aggregated by the Global Fleet Management Unit, shared and discussed with the bureaux and used in support of the annual programme review process for 2019. Meetings were set up with those operations that currently have fleets of 100 or more vehicles in order to discuss their final figures for 2019 and the corresponding actions to be taken with regard to fleet and asset management. Through the use of the tools described above, UNCHR expects that country operations will be better equipped to determine the number and types of vehicles needed in order to meet operational requirements for 2019.

660. **In paragraph 59 of its report, the Board recommended that UNHCR consider the possibility of long-term investments to cover risk-adequate financing of after-service health insurance liabilities.**

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[26] A/72/5/Add.6, chap. II.

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

661. UNHCR has carried out a comprehensive asset-liability modelling study to assess the matching criteria between liabilities and assets, establish asset risk limits for an adequate investment strategy and confirm expected long-term investment returns. The study has now been completed and the resulting information has allowed UNHCR to assess opportunities to collaborate with other United Nations agencies to harmonize best practices in long-term investment management and to leverage contractual arrangements for the provision of investment management and legal services across the United Nations system, with a view to reducing service fees through economies of scale. Joint investment approaches are also being evaluated with the support of the working group on common treasury services of the United Nations System Chief Executives Board for Coordination. UNHCR will prepare a long-term investment strategy and governance structure for the after-service health insurance reserve for approval by the High Commissioner.

662. **In paragraph 71 of its report, the Board recommended that UNHCR pay close attention to the fact that high-quality reviews and verifications of partners' financial reports are essential to control the implementing partnership expenses when implementing key recommendations of the headquarters review.**

Department responsible:	Division of Financial and Administrative Management
Status:	Closure requested
Priority:	High
Target date:	Not applicable

663. Through its current structures for the management of partnerships, UNHCR achieves high-quality reviews and verifications of partners' financial reports in order to obtain adequate assurance of expenses incurred. Any potential changes in partnership management in the future as a result of headquarters reviews will be implemented with particular attention to maintaining the high quality of reviews and verifications of partners. UNHCR considers this recommendation to be implemented and requests its closure by the Board.

664. **In paragraph 76 of its report, the Board recommended that UNHCR review certain templates related to partnerships, such as agreements, project descriptions, project workplans, monitoring plans and project risk registers/catalogues, and assess if they might be enhanced to better assist country operations to use them in more consistent way and, where appropriate, with less duplication of information.**

Department responsible:	Division of Financial and Administrative Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

665. UNHCR has completed most of the key processes and adopted relevant policies, guidance and tools. The focus is now directed towards the refinement of project management tools and quality enhancements. In this regard, a workshop will be held before the end of 2018 to map the partnership management processes in order to outline the business requirements for further streamlining and automation.

666. **In paragraph 81 of its report, the Board recommended that country operations ensure coherent risk assessments within operations and regularly review the quality of the risk assessments for individual project partnership agreements. The risk assessment template recently provided by the Implementing Partner Management Service could support such exercises.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

667. The Implementing Partner Management Service has provided the guiding principles, tools and arrangements for enhancing knowledge on project risk assessment. An increasing number of operations are using the risk-based approach coherently. UNHCR expects that overall improvements will be achieved by the end of 2018.

668. **In paragraph 87 of its report, the Board reiterated its previous recommendation and encouraged country operations to enhance the quality of their monitoring activities for project partnership agreements and pay greater attention to developing risk-based monitoring plans for individual agreements as well as overall monitoring plans covering all project partnership agreements in an operation. The Board also advised that these plans specifically consider the risk of fraud and extend checks to ensure accountability for the use of assets.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

669. UNHCR continues to provide guidance and support to country operations to enable them to apply high-quality, risk-based monitoring. For example, a series of workshops on risk-based monitoring were held and a risk-based monitoring model was piloted in a few country operations. These activities have had positive results and there have been notable improvements in the quality of the monitoring of agreements with partners. Similar workshops are being offered to other country operations that need such support.

670. **In paragraph 88, the Board recommended that management in country operations and the regional bureaux regularly review the quality of the financial and performance monitoring for projects implemented with partners.**

Departments responsible:	Regional bureaux
Status:	In progress
Priority:	High
Target date:	Ongoing

671. Improving the quality of the review conducted by country operations over the financial and performance monitoring for projects implemented with partners is a continuous endeavour. Outcomes of in-depth analyses and compliance checks performed in high-risk countries are shared with other countries to draw lessons learned and integrate those lessons into the subsequent operational cycles.

672. **In paragraph 105 of its report, the Board recommended that UNHCR document good practices and lessons learned from the MSRP upgrade project and, where appropriate, use them for other information technology projects. The Board expected this exercise to assist UNHCR in managing its projects in a more efficient way.**

Department responsible:	Division of Information Systems and Telecommunications
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

673. UNHCR is in the process of updating both its administrative instruction on ICT project governance and its internal project management lifecycle document, which prescribes the process for delivering ICT projects. As part of the updated project management lifecycle process, a database will be put in place to enable UNHCR to collect and report on the lessons learned in respect of project management.

674. **In paragraph 113 of its report, the Board recommended that country operations monitor non-purchase-order purchases on a regular basis and assess whether further efficiency gains could be realized by compiling individual non-purchase-order purchases into framework agreements. The Board also advised that headquarters divisions liaise with country operations to explore how the monitoring and oversight of non-purchase-order purchases could be facilitated.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

675. UNHCR has reached the final stage in the development of the monthly country supply report, which is designed to track key information regarding supply management by country operations, including the level and number of non-purchase-

order vouchers. The fine-tuning of the report based on feedback received from the pilot operations is ongoing.

Report of the Board for the year ended 31 December 2015[27]

676. **In paragraph 14 of its report, the Board recommended that UNHCR develop a set of processes, tools and reports that could be applied at the field level to enhance the financial management of programme budgets and expenditure. This should include stronger links between finance and programme staff in the field through joint analysis and review processes.**

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: High

Target date: First quarter of 2019

677. UNHCR is continuing the process of updating its programme manual, which will provide additional guidance. Through its global learning centre, UNHCR is also initiating webinars, to train staff on its systems, tools and essential skills for programme management.

678. **In paragraph 55 of its report, the Board recommended that risk registers be reviewed on at least a quarterly basis as a standing item at senior management meetings. Country office representatives should take a cyclical approach to scrutinizing risks and their mitigation to ensure that the risk process is fully embedded in their local business processes and utilized in the development of country office plans.**

Department responsible: Enterprise Risk Management Unit

Status: In progress

Priority: High

Target date: Second quarter of 2019

677. UNHCR is revising its enterprise risk management policy to incorporate improvements, with due consideration of the updated international standard on risk management (ISO 31000), which was issued recently by the International Organization for Standardization. The revision will also reflect the good practices identified under the recently launched risk management 2.0 initiative.

680. **In paragraph 65 of its report, the Board recommended that UNHCR headquarters develop a formal reporting mechanism on the frequency and comprehensiveness of verification exercises, enabling it to obtain assurance as to the accuracy of the data regarding its existing population of concern and provide a stronger link between the results and the deployment of resources.**

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[27] A/71/5/Add.6, chap. II.

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

681. UNHCR is continuing with verification exercises in 18 additional countries and plans to complete them by the end of 2018. During these verifications, UNHCR is consistently making use of the standard reporting template that was developed and tested in the previous year and the data quality script linked to its registration system (proGres). This script is run before and after each verification exercise in order to compare the change in population demographics and quality of data and to assess the integrity of the registration system. It is expected that through the consistent use of such tools UNHCR will be able to obtain better assurance as to the accuracy of the data regarding its existing population of concern.

682. **In paragraph 88 of its report, the Board recommended that UNHCR: (a) assess whether the level of scrutiny applied during its annual budget process was at an appropriate level, and in doing so determine the costs involved at all stages of preparation; and (b) assess the merits of a multi-year planning approach to resource allocation decisions, as well as other models such as targeted "deep dives" for the highest-risk operations, and assess where these approaches should be rolled out further and where a lighter touch could be applied.**

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: High

Target date: First quarter of 2019

683. The Board has determined that part (a) of this recommendation has been overtaken by events. With regard to part (b), a lessons-learned process for the development of multi-year, multi-partner strategies in 22 operations selected for a pilot stage, including support by relevant headquarters entities, has highlighted that UNHCR business processes and systems are not yet ready to support multi-year planning. Accordingly, the focus for the moment will be to support the 22 country operations in implementing and monitoring their strategies, before further conclusions are drawn about whether this approach should be expanded to other country operations.

684. **In paragraph 106 of its report, the Board recommended that UNHCR further scrutinize the cost drivers and value for money within items of significant expenditure. In doing so, it should assess the opportunities for efficiencies to be found in the way they were delivered.**

Department responsible: Division of Programme Support and Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

685. UNHCR is currently reviewing the conceptual design for its future results-based management system. As part of this review and as further development of the future results framework advances, UNHCR will articulate how the future framework will support the cost-efficiency analysis.

Report of the Board for the year ended 31 December 2014[28]

686. **In paragraph 68 of its report, the Board recommended that UNHCR review the existing scrutiny process, as there was an opportunity to further challenge and document the cost-effectiveness of proposed interventions at the headquarters level. In doing so, UNHCR should review opportunities to include performance metrics that enabled cost-effectiveness to be measured.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

687. UNHCR is currently reviewing the conceptual design for its future results-based management system, through which it intends to link the information related to programme monitoring and financial implementation in order to facilitate cost-effectiveness analysis focusing on country operations

688. **In paragraph 82 of its report, the Board supported the plans of UNHCR to use its Focus system to better link costs and outcomes in each of its business sectors. It indicated that UNHCR needed to take a tougher, clearer stance on the importance of information on costs and service performance, particularly on linkages between enrolment in education, delivery and retention, and the impact of achieving good-quality education qualifications. Without such information, fully informed judgments on the value for money achieved, or the cost-effective targeting of assistance, were not possible.**

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

689. As mentioned above, UNHCR is currently reviewing the conceptual design for its future results-based management system, and this recommendation will be addressed through the actions referred to in response to the recommendation in paragraph 68 of the Board's report for the year ended 31 December 2014.

690. **In paragraph 83 of its report, the Board recommended that UNHCR headquarters issue central guidance to country teams on cost-effectiveness criteria in education services as an aid to decision-making and resource allocation in education programmes.**

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[28] A/70/5/Add.6, chap. II.

Department responsible:	Division of Programme Support and Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

691. The future guidance on cost-effectiveness analysis will be developed in line with the new results framework. While the mechanism for including performance metrics that support cost effectiveness analysis will be developed as part of the conceptual design and content development of the new results framework, the actual data processing and analysis will start after the rollout of the new results-based management system.

Report of the Board for the year ended 31 December 2012[29]

692. **In paragraph 105 of its report, the Board recommended that UNHCR include in the new fleet management manual guidance on how to assess alternatives to the use of distant garages when remote servicing could result in excessive mileage, extended vehicle downtime and high transit costs. Guidance should include requirements for: (a) periodic testing of local markets for the availability of closer commercial maintenance facilities of the requisite standard; (b) periodic review of the scope for United Nations agencies, non-governmental organizations and implementing partners to procure maintenance collectively, to leverage greater bargaining power or attract reliable operators to open facilities nearby; and (c) consideration of the maintenance of a stock of oil and filters at the field office level to enable the most basic (category A) servicing to take place in the field.**

Department responsible:	Division of Emergency, Security and Supply
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

693. A consultant was hired to conduct an assessment of the maintenance and repair arrangements in UNHCR country operations. He has completed visits of garages managed by commercial or implementing partners in several countries and submitted his observations. On the basis of those observations, the UNHCR Global Fleet Management Unit has developed a checklist to be used, initially on a test basis, in the process of assessing suitability of garages selected for maintenance and repair of UNHCR vehicles. It is expected that once the use of this checklist is expanded, it will result in better guidance for all offices in selecting the most efficient modalities of fleet maintenance. UNHCR has also joined a working group on joint maintenance and repair services, which was recently established by the United Nations Office for Project Services.

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[29] A/68/5/Add.5, chap. II.

X. Fund of the United Nations Environment Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[30]

694. Table 25 summarizes the status of implementation of the main recommendations as of August 2018.

Table 25
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Services Division	3	–	3	3	–
Policy and Programme Division	1	–	1	1	–
Total	**4**	**–**	**4**	**4**	**–**

695. Table 26 summarizes the status of implementation of all recommendations as of August 2018.

Table 26
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Services Division	7	1	6	6	–
Policy and Programme Division	1	–	1	1	–
Total	**8**	**1**	**7**	**7**	**–**

696. **In paragraph 21 of its report, the Board recommended that the United Nations Environment Programme (UNEP): (a) establish a mechanism to be used to identify receivables from voluntary contributions on a regular basis and analyse them according to their due dates; and (b) institute a mechanism to ensure regular communication and follow-up of all overdue pledges, as required under the UNEP programme manual (2016).**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

697. UNEP, in collaboration with the United Nations Office at Nairobi, reviewed the records of receivables and made appropriate corrections before the preparation of the 2017 financial reports. This exercise will continue to be carried out regularly and as part of the procedures for the preparation of the annual financial statements.

698. **In paragraph 25 of its report, the Board recommended that UNEP expedite introduction of a mechanism that would adequately reflect project**

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[30] A/73/5/Add.7, chap. II.

administrative and ownership challenges in management action plans and follow-up in order to ensure that comprehensive management action was taken to address the challenges identified.

Department responsible:	Programme and Policy Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2020

699. UNEP is in the process of introducing a biannual reporting system that will allow senior management to take stock of the reported challenges and identify possible solutions. Furthermore, UNEP is one of the United Nations entities that will pilot the project management module of Umoja Extension 2 that is expected to enhance the monitoring and reporting of projects

700. **In paragraph 30 of its report, the Board recommended that UNEP: (a) introduce a mechanism to enforce prompt recording of all projects financial information in Umoja and regularly update the project financial data in the system; (b) introduce a regular review of project information in Umoja to verify the correctness and completeness of project data; and (c) ensure that all transactions in Umoja were linked to a valid and approved project in support of the programme of work.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

701. UNEP is developing a policy guideline to ensure that the fund management officers and project managers include the project management aspects of this recommendation as part of their annual workplans. Once approved, the policy guideline will help in establishing accountability and support the application of the project management module under Umoja Extension 2. These tools will enhance financial reporting and monitoring of the projects in support of the programme of work.

702. **In paragraph 35 of its report, the Board recommended that UNEP establish guidelines for field offices on how to assess and select implementing partners which are not-for-profit public sector organizations.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2020

703. The United Nations Secretariat is in the process of establishing a system-wide policy on the management of implementing partners and end beneficiaries as part of the grantor module under Umoja Extension 2 that is expected to be launched at the beginning of 2019. The Department of Management is also in the process of revising

the Financial Regulations and Rules of the United Nations to accommodate the new policy. UNEP will therefore consider the need for the development of guidelines for field offices once the ongoing process of the United Nations Secretariat is complete.

704. **In paragraph 40 of its report, the Board recommended that UNEP: (a) in collaboration with the United Nations Office at Nairobi, review on a regular basis all the roles that had been granted in Umoja and eliminate all conflicting roles granted to users; and (b) establish procedures to ensure that user roles were reviewed regularly by the process owners to ensure that they were commensurate with job descriptions and were not conflicting.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

705. UNEP has resolved the conflicting roles in Umoja, except for a few cases in small offices that do not have enough staff to undertake the different roles and where exceptions have been granted by the process owners. In addition, UNEP has instituted changes geared towards strengthening capacity and enforcing the role provisioning guidelines, as stipulated in the ICT technical procedures document.

706. **In paragraph 44 of its report, the Board recommended that UNEP ensure that all user accounts for separated staff and those that remain dormant for three consecutive months were deactivated on regular basis and in a timely manner.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

707. UNEP has resolved the conflicting roles in Umoja except for a few cases in small offices that do not have enough staff to undertake different roles and where exceptions have been granted by the process owners. In addition, UNEP has instituted changes geared towards strengthening capacity and enforcing the role provisioning guidelines, as stipulated in the ICT technical procedures document.

708. **In paragraph 49 of its report, the Board recommended that UNEP ensure that: (a) the assets information in Umoja was updated in a timely manner; and (b) unserviceable or obsolete assets were promptly identified, written off and disposed of.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

709. UNEP, in collaboration with the United Nations Office at Nairobi, is in the process of updating the relevant records in Umoja and expects to complete this

exercise before the preparation of the financial statements for the year ending 31 December 2018.

710. **In paragraph 53 of the report, UNEP agreed with the Board's recommendation that it issue a policy document based on the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

711. UNEP has prepared a draft anti-fraud and anti-corruption policy document that is being reviewed internally and is expected to be issued by the end of 2018.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

712. In the annex to its report for the ended 31 December 2017 (A/73/5/Add.7, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the nine recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

713. Table 27 summarizes the overall situation as of August 2018.

Table 27
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Corporate Services Division	7	–	7	7	–
Policy and Programme Division	2	2	–	–	–
Total	**9**	**2**	**7**	**7**	**–**

Report of the Board for the year ended 31 December 2016[31]

714. **In paragraph 24 of its report, the Board recommended that UNEP enhance its follow-up efforts with implementing partners to submit the required reports on time so as to expedite financial closure of operationally closed projects.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

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[31] A/72/5/Add.7, chap. II.

715. UNEP is participating as one of the lead agencies in the implementing grantor management module under Umoja Extension 2, which is expected to be launched at the beginning of 2019. UNEP is actively involved in the design of the new system to ensure that its requirements for dealing with implementing partners is put in place once the system is fully operational. UNEP has also launched a special project for the clean-up and financial closure of the operationally closed projects.

716. **In paragraph 33 of its report, the Board recommended that UNEP conduct a regular follow-up with implementing partners to ensure that they complied with the UNEP programme manual by submitting consolidated audited financial statements on completed projects to provide assurance over the expenditure incurred during the implementation of the projects.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

717. See the comments of UNEP above relating to the recommendation on reporting by implementing partners and the financial closure of projects in paragraph 24 of the Board's report for the year ended 31 December 2016.

718. **In paragraph 39 of the report, UNEP agreed with the Board's recommendation to develop an anti-fraud policy to ensure that a consistent approach to fraud detection, measurement and reporting was in place across all implementing partners.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

719. See the comments of UNEP above relating to the recommendation on the anti-fraud and anti-corruption policy document in paragraph 53 of the Board's report for the year ended 31 December 2017.

720. **In paragraph 68 of its report, the Board recommended that UNEP expedite the implementation of enterprise risk management to ensure an effective and efficient risk management process.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

721. UNEP has completed internal consultations to ensure that the enterprise risk management policy is put in place and that it is compatible with the policy of the United Nations Secretariat. The enterprise risk management policy is expected to be completed and approved by June 2019.

Report of the Board for the year ended 31 December 2015[32]

722. **In paragraph 52 of its report, the Board recommended that UNEP ensure sufficient controls over the preparation and submission of required project reports by implementing agencies in compliance with the project cooperation agreements.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date.	Fourth quarter of 2019

723. See the comments of UNEP above relating to the recommendation on reporting by implementing partners in paragraph 24 of the Board's report for the year ended 31 December 2016.

724. **In paragraph 56 of its report, the Board recommended that UNEP-Global Environment Facility: (a) make more effort and follow-up to ensure that expenditure reports were submitted within the agreed time frames under the signed agreements; and (b) consider the write-off of receivables with respect to which expenditure reports could not be retrieved and the recoverability of advances had proved to be uncertain.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

725. See the comments of UNEP above relating to the recommendation on reporting by implementing partners and the financial closure of projects in paragraph 24 of the Board's report for the year ended 31 December 2016.

726. **In paragraph 67 of the report, UNEP agreed with the Board's recommendation that it review the residual value and the useful lives of all assets and ensure that the asset register was updated to reflect the restated figures after Headquarters had completed the analysis of property, plant and equipment.**

Department responsible:	Corporate Service Division
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

727. UNEP has completed the required review and processed the appropriate write-offs and is waiting for further guidance from the United Nations Office at Nairobi and United Nations Headquarters to complete the adjustment of entries in Umoja for the restated figures. It is expected that this exercise will be completed before the preparation of the financial statements for the period ending 31 December 2018.

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[32] A/71/5/Add.7, chap. II.

Report of the Board for the year ended 31 December 2014[33]

728. **In paragraph 30 of the report, UNEP agreed with the Board's recommendation that it include in the proposed new version of Project Information Management System all key project processes and ensure that consolidated reports were provided and there was improvement in the capacity for the inclusion of all key project processes.**

Department responsible:	Policy and Programme Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

729. Given the ongoing implementation of a new project management module under Umoja Extension 2, further development of the Project Information Management System has been stopped. UNEP considers that this recommendation has been overtaken by events and requests its closure by the Board.

730. **In paragraph 45 of the report, UNEP agreed with the Board's recommendation that it look at ways of ensuring that the Evaluation Office was provided with adequate resources to initiate and manage independent project-level evaluations to the required level, and that project closure time frames were adhered to.**

Department responsible:	Policy and Programme Division
Status:	Closure requested
Priority:	High
Target date:	Not applicable

731. UNEP has implemented a standard operating procedure for ensuring that the resources for evaluation of each project are budgeted when the project is approved. UNEP considers this recommendation to be implemented and requests its closure by the Board.

XI. United Nations Population Fund

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[34]

732. Table 28 summarizes the status of implementation of the main recommendations as of August 2018.

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[33] A/70/5/Add.7, chap. II.

[34] A/73/5/Add.8, chap. II.

Table 28
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management Services	1	–	–	1	1
Division for Management Services and Office of the Executive Director	1	–	–	1	1
Information Technology Solutions Office	1	–	–	1	1
Total	**3**	**–**	**–**	**3**	**3**

733. Table 29 summarizes the status of implementation of all recommendations as of August 2018.

Table 29
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Communications and Strategic Partnerships	1	–	–	1	–
Division for Human Resources	3	–	–	3	–
Division for Management Services	4	–	–	4	–
Division for Management Services and Office of the Executive Director	2	–	–	2	–
Information Technology Solutions Office	2	–	–	2	–
Procurement Services Branch	2	–	–	2	–
Programme Division	1	–	–	1	–
Technical Division	3	–	–	3	–
Total	**18**	**–**	**–**	**18**	**–**

734. **In paragraph 16 of the report, the United Nations Population Fund (UNFPA) agreed with the Board's recommendation to formalize the enterprise risk management policy to guide staff at country offices and supplement the guidance in place for managing the enterprise risks.**

Departments responsible:	Division for Management Services and Office of the Executive Director
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

735. UNFPA is in the process of formalizing its enterprise risk management policy to supplement the existing guidance notes for managing its enterprise risks.

736. **In paragraph 21 of its report, the Board recommended that: (a) UNFPA establish a preliminary quality review process to ensure that the reduction of risks rating at country offices and the application of risk mitigation measures were done properly and documented; (b) country offices establish the bases for risk reduction and ensure that the supporting documents for risk mitigation**

measures were available and aligned strategically with the risk action plans; and (c) country offices establish action plans for the risks which had been identified as high.

Departments responsible:	Division for Management Services and Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

737. A quality review of risks is being undertaken by the designated experts of the risk treatment working group for all specified risk areas at the regional and headquarters levels. The headquarters enterprise risk management team is also undertaking, in collaboration with the respective regional offices, a quality review of the risk assessments and mitigation measures for a limited number of business units considered to be high risk. During the 2017 risk response phase, action plans were prepared for all 281 high and 20 critical risks, and these are available in the strategic information system myRisk application.

738. **In paragraph 25 of its report, the Board recommended that UNFPA: (a) strengthen control over the implementing partners microassessment process carried out by the service providers, to ensure that the microassessment reports were supported by details of the work done and provided a clear basis for their conclusions; (b) conduct microassessments of all implementing partners who were required to be microassessed; and (c) establish a field in the Implementing Partners Assurance System module that could enable follow-up on the implementation of the microassessments recommendations.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

739. To strengthen control over the microassessment process and improve the quality of microassessment reports, UNFPA has issued a checklist designed to support offices in their quality control of new microassessments. UNFPA staff focus in their quality reviews on ensuring that the assessors provide sufficient supporting information in the comments field to substantiate their conclusions and ratings. UNFPA will continue to review the data from the Implementing Partners Assurance System and follow up, as needed, with offices to ensure that all required microassessments are conducted.

740. **In paragraph 29 of its report, the Board recommended that UNFPA country offices ensure that: (a) spot checkers followed up on the implementation of previous microassessment recommendations during spot checking and maintained evidence to confirm the follow-up so as to provide assurance to UNFPA; and (b) the spot-checking activities were conducted effectively and efficiently, in accordance with established guidance, including by clearly documenting criteria and how samples of transactions were determined.**

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

741. UNFPA continues to strengthen the capacity of its staff to conduct high-quality spot checks, and has issued comprehensive tools and detailed training materials to that end. In 2017, UNFPA conducted spot checks for 800 of the 1,430 active implementing partners. In addition, a risk-based audit of projects relating to about $260 million (73 per cent of the amount spent through partners) was carried out. The timeliness of spot checks improved in 2017, and an independent review of the spot checks rated most of them as good or satisfactory.

742. **In paragraph 30 of its report, the Board further recommended that UNFPA: (a) improve the spot-check test tool in terms of content to include a separate sheet for verification of assets; and (b) ensure that spot checks were conducted in accordance with the established assurance plan and that spot-check reports were uploaded to the Implementing Partners Assurance System in a timely manner.**

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

743. UNFPA is improving the content for the verification of assets during spot checks and it is also monitoring the 2018 assurance plans to ensure that the required spot checks are conducted and promptly uploaded to the Implementing Partners Assurance System.

744. **In paragraph 34 of its report, the Board recommended that UNFPA country offices: (a) ensure that workplans were created, operationally reviewed and printed from the global programming system before being signed by implementing partners to avoid discrepancies between signed workplans and the global programming system data; and (b) update the budget information in the global programming system when changes arose.**

Department responsible: Programme Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

745. As an integral part of phase II of the global programming system roll-out process, implementing partners are granted access to the system functionality with close control and monitoring by UNFPA headquarters. The Programme Division continues to ensure adherence to the established workflow of creation, review, printing and signature of workplans generated from the global programming system and to monitor dashboards and alert both country and regional offices if they deviate from the established workflow.

746. **In paragraph 40 of its report, the Board recommended that UNFPA ensure that country offices: (a) build the capacity of their staff in resource mobilization to enhance the effectiveness of their resource mobilization function; and (b) develop donor mapping and donor management profiles in accordance with their strategies to enhance and encourage donor contributions.**

Department responsible:	Division for Communications and Strategic Partnerships
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

747. This recommendation is fully aligned with the objectives of the UNFPA resource mobilization strategy as well as the accelerated corporate efforts to align country office resource mobilization and partnership plans with the setting of annual resource mobilization targets. The resource mobilization capacity is included in the required skills set for managers of country and regional offices. The enhancement of staff capacity in the country offices is continuing to be supported through decentralized assistance and guidance provided by the regional resource mobilization and partnership advisers. The Resource Mobilization Branch has developed training modules, tools and guidance to help build capacity.

748. **In paragraph 45 of its report, the Board recommended that UNFPA consider developing an integrated contract management application to enable country offices and units to register and maintain contract files and related documents for effective contract management and administration.**

Department responsible:	Procurement Services Branch
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2020

749. UNFPA management continues to advise country offices to register and maintain contract files and related documents for effective contract management and administration. Since the current enterprise resource planning system does not support integrated contract management, UNFPA is considering implementing an integrated contract management system along with a new enterprise resource planning system.

750. **In paragraph 49 of its report, the Board recommended that UNFPA: (a) adhere to the procurement plans when making procurements and ensure that all the relevant procured items were included in the procurement plans to facilitate monitoring of procurement activities and efficiency in the use of resources; and (b) in collaboration with Procurement Services Branch, continue monitoring local procurement plans against actual procurement.**

Department responsible: Procurement Services Branch

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

751. UNFPA continues to ensure that, to the extent possible, field offices adhere to the procurement plans for procuring goods and services above certain threshold amounts and that the procurement plans are regularly updated by the field offices. However, it is important to point out that requirements sometimes change, and the procurement procedures recognize that ad hoc and last-minute operations may occur. The Procurement Services Branch continues to monitor local procurement plans against actual spending.

752. **In paragraph 54 of its report, the Board recommended that UNFPA country offices: (a) collaborate with the appropriate stakeholders to enhance needs assessments on regular commodities in the country for proper and effective planning; and (b) increase the office involvement in the forecasting analysis of reproductive health commodities to identify actual inventory needs.**

Department responsible: Technical Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

753. The new policy on the provision of programme supplies that went into effect in June 2018 requires that procurement plans and activities for reproductive health commodities be informed by rigorous needs assessments and forecasts. The new policy contains guidance on periodicity, data sources and coordination requirements and has a mandatory provision regarding the performance of quality assurance reviews of the forecasts and needs assessments. Furthermore, since the beginning of 2018, the Commodity Security Branch has supported country offices in evidence-based procurement planning for contraceptive and reproductive health commodities. The Branch also reviews these plans to ensure, among other things, that the national supply plans are reasonable and the underlying forecasts and needs assessments are sound.

754. **In paragraph 59 of its report, the Board recommended that UNFPA monitor the distribution process to ensure that inventory was handed over to the intended beneficiaries by the implementing partners and get assurance on whether inventory had been utilized as intended.**

Department responsible: Technical Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

755. The policy on provision of programme supplies requires implementing partners to submit quarterly reports to UNFPA, which, along with other information, provide a comparison between planned and actual distributions of inventory. Spot checks and

audits provide further assurance that inventory is being used for the intended purposes. The frequency and scope of the inventory spot checks and audits are commensurate with the risk level assigned to implementing partners. UNFPA continues to monitor adherence to the policy requirements by the implementing partners.

756. **In paragraph 65 of its report, the Board recommended that UNFPA country offices implement and enforce the introduced policy to ensure that receipt and inspection of inventories at the point of entry were monitored and receipt and inspection reports were prepared to comply with the inventory management policies and procedures.**

Department responsible:	Technical Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

757. The policy on the provision of programme supplies includes comprehensive guidance on the process to be followed upon receipt of goods. The receiving and reporting templates provided in the policy must be completed by the responsible personnel to document the receiving and inspection results. The staff of country offices have received targeted training on the new processes and reporting templates and they will continue to monitor the reports.

758. **In paragraph 69 of its report, the Board recommended that UNFPA establish a policy on handling staff with disabilities to demonstrate a non-discriminatory and inclusive working environment for staff members.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

759. UNFPA is in the process of developing a policy for persons with disabilities in accordance with best practices within the United Nations system. The new policy will be promulgated by the end of 2018.

760. **In paragraph 75 of its report, the Board recommended that UNFPA: (a) strengthen controls over country offices to ensure effective utilization of the launched Consultant Monitoring Tool by uploading all required individual consultants' information in the Tool on time and prior to the issuance of an individual consultant contract; (b) ensure that final payments to individual consultants were made at the end of the contract period and after the assessment of the performance of the individual consultants; and (c) include a field in the Tool's system which allowed the distinction of individual consultant fees based on either output delivery or working days.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

761. UNFPA is developing strategies to increase compliance with the Consultant Monitoring Tool, which include close monitoring of the Tool and reaching out directly to country offices where deficiencies are apparent. In addition, country offices will be reminded to ensure that final payments are only to be processed after the performance assessment of individual consultants at the end of their contract periods. UNFPA will further explore the possibility of an enhancement to the Tool to include different fee calculation modalities.

762. **In paragraph 81 of its report, the Board recommended that UNFPA: (a) ensure that all salary advances were requested and approved through the e-service application for easy monitoring and follow-up by the head office; (b) issue instructions to the heads of office to create awareness on the use of the salary advance e-service application and to ensure that all staff used the e-service application; and (c) establish a guidance note to govern the procedures for granting salary advances to service contract holders.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

763. UNFPA is strengthening awareness and compliance with the request and approval process for salary advances through the e-service application by issuing instructions and holding webinars. UNFPA will also conduct spot checks to monitor any exceptions. A guidance note on the procedures for the granting of salary advances to service contract holders will also be issued.

764. **In paragraph 87 of its report, the Board recommended that UNFPA establish an enterprise resource planning solution which would have a global travel and expenses module at all country offices to facilitate the travel management activities and reporting, including reporting of travel data globally in real time.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2020

765. UNFPA management acknowledges the benefits of extending the travel and expenses module functionality to the country offices and it is currently piloting the module in one regional office. Lessons learned from this pilot will inform the design and set-up of a new enterprise resource planning solution incorporating a global travel and expense module.

766. **In paragraph 93 of its report, the Board recommended that UNFPA: (a) conduct a review and configure the Active Directory regularly to remove all separated staff; (b) enforce the domain password policy in accordance with the ICT security policy and add all computers that were not in the Active Directory; (c) establish a mechanism to ensure that the Management Information Services Unit conducted periodic surveys of the country offices to review the adequacy of outsourced ICT support services; and (d) establish procedures for the governance of the Active Directory infrastructure, its security and design.**

Department responsible:	Information Technology Solutions Office
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

767. The Information Technology Solutions Office is undertaking a full review of the current data in the central Active Directory system to remove all separated staff. The Office will also identify all the country offices with an autonomous system and issue necessary instructions to implement the migration into the Active Directory. The domain password policy will be enforced for all the users defined in the Active Directory and alternative mitigation mechanisms will be established for decentralized Active Directory systems. The Information Technology Solutions Office will conduct periodic surveys of all country offices to review the adequacy of their outsourced ICT support services. Governance procedures will be established for the Active Directory infrastructure, its security and design. These procedures will be monitored with the help of regional ICT specialists.

768. **In paragraph 98 of its report, the Board recommended that UNFPA: (a) incorporate the requirements for ICT security awareness training in the existing policies; and (b) make it mandatory and establish enforcement mechanism for all staff members to complete information security awareness training.**

Department responsible:	Information Technology Solutions Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

769. UNFPA is in the process of incorporating ICT security awareness training requirements in the existing policies and making it mandatory for all staff to complete the training.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

770. In annex I to its report for the year ended 31 December 2017 (A/73/5/Add.8, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on eight recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in annex I.

771. Table 30 summarizes the overall situation as of August 2018.

Table 30
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Human Resources	2	–	2	2	–
Division for Management Services	3	–	3	3	–
Information Technology Solutions Office	1	–	1	1	–
Procurement Services Branch	2	–	2	2	–
Total	**8**	–	**8**	**8**	–

Report of the Board for the year ended 31 December 2016[35]

772. **In paragraph 32 of its report, the Board recommended that UNFPA: (a) strengthen control over microassessment reports from the service providers to ensure that the reports were supported by details of the work done and provided a clear basis for their conclusions; and (b) ensure that implementing partners were given microassessments and plans were established to follow up on the findings and recommendations of the microassessment with UNFPA implementing partners or implementing partners shared with other agencies.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

773. To strengthen control over the microassessment process and improve the quality of microassessment reports, UNFPA issued a checklist designed to support offices in their quality control of new microassessments. UNFPA staff focus in their quality reviews on ensuring that the assessors provide sufficient supporting information in the comments field to substantiate their conclusions and ratings. UNFPA will continue to review the data from the Implementing Partners Assurance System and follow up, as needed, with offices to ensure that all required microassessments are conducted.

774. **In paragraph 36 of its report, the Board recommended that that UNFPA: (a) consider providing adequate training to spot checkers on how to conduct spot checks so as to improve the quality of spot checks; (b) ensure that the implementation of microassessment recommendations was followed up during spot checking and that evidence to that effect was maintained by the spot checkers so as provide supported assurance to UNFPA; and (c) ensure that the spot-checking activities were conducted effectively and efficiently in accordance with established guidance.**

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[35] A/72/5/Add.8, chap. II.

Department responsible: Division for Management Services

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

775. UNFPA continues to strengthen the capacity of its staff to conduct high-quality spot checks, and has issued comprehensive tools and detailed training materials to that end. In 2017, UNFPA conducted spot-checks for 800 of the 1,430 active implementing partners. In addition, a risk-based audit of projects relating to about $260 million (73 per cent of the amount spent through partners) was carried out. The timeliness of spot checks improved in 2017, and an independent review of the spot checks rated most of them as good or satisfactory.

776. **In paragraph 45 of its report, the Board recommended that UNFPA ensure that country offices provided information on annual supplier performance, business volume and savings achieved to the lead United Nations agencies for all long-term agreement holders that were piggybacked with other agencies so that evaluations could be conducted.**

Department responsible: Procurement Services Branch

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

777. Based on the feedback it received from the country operations management teams, the Procurement Services Branch is updating the procurement procedures to recommend that the management teams of country operations collect information on business volume and savings achieved and undertake evaluations of the performance of suppliers with long-term agreements.

778. **In paragraph 50 of its report, the Board recommended that UNFPA field offices adhere to local procurement plans when making procurements and ensure that all the procured items were included in the procurement plans to facilitate monitoring of procurement activities and efficiency in the use of resources.**

Department responsible: Procurement Services Branch

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

779. The Procurement Services Branch is adding in its procedures a monitoring spot check for local procurement to ensure that it is in line with actual procurement on an annual basis. UNFPA has further clarified in the procurement procedures the need for quarterly alignment of the procurement plan with the actual procurement, with due consideration given to the need for a certain degree of flexibility to respond to unforeseen circumstances, including force majeure.

780. **In paragraph 65 of the report, UNFPA agreed with the Board's recommendation to: (a) establish a mechanism that would enable the**

organization to capture the leave points balances as at the reporting date and not as at the payroll finalization date in order to report accurate leave days and liability; and (b) strengthen its internal controls over leave approval process by introducing a time limit on the approval of leave requests to ensure timely and realistic capturing of leave points by the reporting date.

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

781. UNFPA has strengthened its internal controls over the leave approval process by revising its policy on leave recording and management, requiring supervisors to approve leave within a reasonable period not exceeding 30 calendar days. UNFPA is currently developing additional reporting mechanisms to monitor exceptions to the leave approval process.

782. **In paragraph 85 of its report, the Board recommended that UNFPA: (a) ensure compliance with the salary advance policy and strengthen conditions for recovery of advances from staff, especially in situations where the staff member with outstanding advances separated from UNFPA; and (b) continue the review of the outstanding advances to establish the respective causes and recovery mechanisms to ensure that the advances were recovered and cleared from active and separated staff.**

Department responsible:	Division for Human Resources
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

783. UNFPA has strengthened compliance with the salary advance policy, including the conditions for recovery of advances. UNFPA is currently finalizing guidance on the separation process for local staff in country offices so as to fully address the issue of recovery of advances from the staff at the time of their separation.

784. **In paragraph 90 of its report, the Board recommended that UNFPA: (a) ensure that the country offices obtained authorization from UNFPA headquarters for all project cash advances above the threshold as stated in the policy; (b) set the time limit for holding the project cash advance per activity per staff in the policies and procedures on project cash advances to minimize prolonged project cash advance balances; and (c) strengthen supervisory and monitoring controls at the level of country offices to ensure compliance with the established policies and procedures.**

Department responsible:	Division for Management Services
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

785. The Division for Management Services is finalizing its review of the project cash advance policy to ensure that the necessary controls, fraud risk factors and a time limit for holding cash advances are duly included in the policy. UNFPA will hold webinars with country offices upon finalization of the policy to ensure widespread compliance. Appropriate monitoring reports are also being developed to strengthen supervisory and monitoring controls.

786. **In paragraph 100 of its report, the Board recommended that UNFPA put in place a mechanism for monitoring the adoption of software policies and procedures and ensure their compliance across the entity.**

Department responsible:	Information Technology Solutions Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

787. A mechanism for monitoring the adoption of the software policies is being integrated into the software lifecycle development policy that is being updated. UNFPA will also hold webinars with country offices upon finalization of the policy to ensure it is understood and complied with.

XII. United Nations Human Settlements Programme

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[36]

788. Table 31 summarizes the status of implementation of the main recommendations as of August 2018.

Table 31
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	3	–	–	3	–
Regional Office for Latin America and the Caribbean	1	–	–	1	–
Total	**4**	–	–	**4**	–

789. Table 32 summarizes the status of implementation of all recommendations as of August 2018.

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[36] A/73/5/Add.9, chap. II.

Table 32
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	8	–	1	7	–
Programme Division	2	–	–	2	–
Regional Office for Latin America and the Caribbean	2	–	–	2	–
Total	**12**	–	**1**	**11**	–

790. **In paragraph 15 of its report, the Board recommended that that the United Nations Human Settlements Programme (UN-Habitat): (a) ensure that capacity-building programmes were conducted for all staff who had resources mobilization responsibilities at the country and regional levels; and (b) develop policy guidelines and circulate them to the regional and country offices, as required under the results framework for the donor relations and income strategy.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

791. UN-Habitat is making arrangements for the training of staff who have resources mobilization responsibilities at the country and regional levels. Policy guidelines on resource mobilization are also being developed.

792. **In paragraph 19 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that substantive and financial aspects of project documents were reviewed and approved by the Project Advisory Group prior to the signing of funding agreements, as required by the UN-Habitat project-based management policy.**

Department responsible:	Programme Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

793. UN-Habitat has revised and strengthened its project approval process. The new process makes it clear that a concept note must be prepared and approval by the Project Advisory Group must be obtained before a funding agreement is signed. UN-Habitat is currently automating the project approval process to allow better oversight of the process, taking into account that some exceptions may be required.

794. **In paragraph 22 of its report, the Board recommended that UN-Habitat ensure that documentation was in place whenever there was movement of assets, in order to reduce the risk of losing assets.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

795. UN-Habitat is conducting refresher training sessions for all asset focal points to clarify the procedures governing asset management and the importance of up-to-date handover documents.

796. **In paragraph 28 of the report, UN-Habitat agreed with the Board's recommendation that it enhance its impairment review exercise by developing a guideline that clearly narrated how impairment reviews should be conducted and reported.**

Department responsible:	Management and Operations Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

797. During its mid-year physical verification exercise in July 2018, UN-Habitat developed and circulated to all its offices clear guidelines on how assets impairment reviews should be conducted and reported. UN-Habitat considers this recommendation to be implemented and requests its closure by the Board.

798. **In paragraph 32 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that: (a) funds were released to implementing partners on time so that the planned activities could be completed within the scheduled period; and (b) establish a risk-based fast-track payment process for emergency and high-priority countries, as proposed by the country office in the Syrian Arab Republic.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

799. UN-Habitat is in the process of implementing a new enterprise resource planning module for implementing partners as part of Umoja Extension 2. The new module will provide automatic notifications of payment due dates to the relevant UN-Habitat officials and allow better tracking of payments to implementing partners.

800. **In paragraph 35 of its report, the Board recommended that UN-Habitat ensure that: (a) field offices complied with the delegation of authority as required by the memorandum of the Executive Director; and (b) the country office in China obtained appropriate office accommodations for its staff.**

Department responsible: Management and Operations Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

801. UN-Habitat is strengthening its delegation of authority and accountability framework and will communicate with all its staff members to raise their awareness with regard to the compliance requirements. UN-Habitat is in negotiation with a landlord to secure office space in China.

802. **In paragraph 39 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that the country offices in Colombia and Brazil: (a) find safer outside locations to store backups, which could be accessed by staff during disasters; and (b) develop disaster recovery and business continuity plans.**

Department responsible: Management and Operations Division

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

803. UN-Habitat is implementing an off-site cloud-based system called "OneDrive" that has been approved by the United Nations Secretariat. UN-Habitat is also in the process of finalizing a risk mitigation plan for its disaster recovery and business continuity planning.

804. **In paragraph 44 of its report, the Board recommended that UN-Habitat establish management structures and administrative policies and procedures for the new hub arrangement that would provide guidance on the day-to-day management of the hub operations in the Regional Office for Latin America and the Caribbean.**

Department responsible: Regional Office for Latin America and the Caribbean

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

805. UN-Habitat is in the process of documenting the management structure and administrative policies and procedures for the new hub arrangement, which will provide guidance on the day-to-day management of the hub operations.

806. **In paragraph 48 of the report, UN-Habitat agreed with the Board's recommendation that it: (a) set a deadline for staff members to complete mandatory anti-fraud and anti-corruption training; and (b) include information on fraud and corruption in the project risk management guide.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

807. UN-Habitat will remind its staff to complete the mandatory anti-fraud and anti-corruption training in accordance with the guidelines issued by the United Nations Secretariat. UN-Habitat is also planning to include information on fraud and corruption in its project risk management guide.

808. **In paragraph 51 of the report, UN-Habitat agreed with the Board's recommendation that the Regional Office for Latin America and the Caribbean develop an action plan to ensure that core activities were performed by staff members.**

Department responsible:	Regional Office for Latin America and the Caribbean
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

809. UN-Habitat is in the process of developing formal guidelines to be used for engaging different categories of personnel, including individual contractors and consultants.

810. **In paragraph 55 of its report, the Board recommended that UN-Habitat comply with the administration instruction on consultants and individual contractors (ST/AI/2013/4) by utilizing the roster in the selection of consultants and individual contractors to ensure that competent and experienced consultants and individual contractors were selected.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

811. UN-Habitat will issue a reminder to its staff regarding the utilization of the roster in accordance with the administrative instruction on consultants and individual contractors.

812. **In paragraph 59 of the report, UN-Habitat agreed with the Board's recommendation that it ensure that field offices: (a) adhere to the results-based management policy on reporting by incorporating analyses of the logical framework into their progress reports; and (b) prepare annual workplans for their activities in line with the programme of work for the biennium.**

Department responsible: Programme Division

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

813. UN-Habitat is in the process of upgrading its project management system, which is used to record, monitor and control the implementation of projects. The upgrade would incorporate an alert system to prompt project managers to monitor compliance with project reporting requirements, including annual workplans and the timely submission of quarterly project implementation reports.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

814. In annex I to its report for the year ended 31 December 2017, the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the eight recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in annex I.

815. Table 33 summarizes the overall situation as of August 2018.

Table 33
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Management and Operations Division	8	5	3	2	1
Total	**8**	**5**	**3**	**2**	**1**

Report of the Board for the biennium ended 31 December 2011[37]

816. **In paragraph 36 of its report, the Board reiterated its recommendation that UN-Habitat set up specific arrangements to fund its liabilities for end-of-service and post-retirement benefits, for consideration and approval by its Governing Council and the General Assembly.**

Department responsible: Management and Operations Division

Status: In progress

Priority: Medium

Target date: Ongoing

817. The setting up of arrangements to fund the liabilities for end-of-service and post-retirement benefits is being managed by United Nations Headquarters, and UN-Habitat continues to liaise with Headquarters on this issue.

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[37] A/67/5/Add.8 and A/67/5/Add.8/Corr.1, chap. II.

Report of the Board for the biennium ended 31 December 2013[38]

818. **In paragraph 39 of the report, UN-Habitat agreed with the Board's recommendation that it: (a) set a timeline to implement the resolution of its Governing Council in identifying a suitable partner to run the Experimental Reimbursable Seeding Operations Trust Fund and draw up comprehensive terms of reference for adequate operations and risk management; (b) set up and document a clear monitoring and assurance framework for the use and accountability of Experimental Reimbursable Seeding Operations funds; and (c) closely follow up the repayment from each borrower and ensure adherence to the repayment schedule.**

Department responsible:	Management and Operations Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

819. UN-Habitat updated its Committee of Permanent Representatives on the status of the implementation of Governing Council resolution 23/10, indicating that it had been unable to find a suitable partner to run the Experimental Reimbursable Seeding Operations portfolio. As a result, and considering the small size of the portfolio, UN-Habitat is now administering the operation of the portfolio internally. UN-Habitat has closely monitored the loan repayments and they are on schedule with no defaults to date. UN-Habitat considers this recommendation to be implemented and requests its closure by the Board.

Report of the Board for the year ended 31 December 2015[39]

820. **In paragraph 25 of the report, UN-Habitat agreed with the Board's recommendation to: (a) follow up with the housing foundation to recover the outstanding loan amount; and (b) enhance the screening and monitoring mechanisms for the loan portfolio.**

Department responsible:	Management and Operations Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

821. The housing foundation is now officially liquidated and UN-Habitat is about to receive a final payment of approximately $249,000. The outstanding balance of approximately $500,000 is unlikely to be recovered, and it is considered a loss that will be written off. UN-Habitat considers this recommendation to be implemented and requests its closure by the Board.

822. **In paragraph 54 of the report, UN-Habitat agreed with the Board's recommendation that it: (a) identify the risks that might affect project implementation in advance of the execution phase to minimize the negative effects of delaying the intended benefits for the societies involved; and (b) plan**

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[38] A/69/5/Add.9 and A/69/5/Add.9/Corr.1, chap. II.

[39] A/71/5/Add.9, chap. II.

and manage the recruitment process in the field offices to ensure that there was timely and adequate staffing for improved project performance.

Department responsible:	Management and Operations Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

823. UN-Habitat has a new project risk management guide that provides guidelines on how to manage risks, including those related to the recruitment of project personnel and the performance of implementing partners. UN-Habitat considers this recommendation to be implemented and requests its closure by the Board.

Report of the Board for the year ended 31 December 2016[40]

824. **In paragraph 13 of the report, UN-Habitat agreed with the Board's recommendation that the organization: (a) conduct enterprise risk management awareness training to enable the country offices staff to acquire the skills and knowledge necessary for effective implementation of enterprise risk management; and (b) prepare the risk register in accordance with the UN-Habitat enterprise risk management guidelines and summarize all important risks and response strategies in order to mitigate risks in project implementation.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

825. UN-Habitat is following up to ensure that its staff in the country offices have completed the enterprise risk management awareness training. UN-Habitat is also preparing a risk register in accordance with its enterprise risk management guidelines.

826. **In paragraph 23 of its report, the Board recommended that UN-Habitat: (a) formulate strategies to minimize consultancy costs in accordance with its strategic objectives for the period 2014–2019; and (b) include minimization of consultancy costs in the results framework for tracking and reporting periodically.**

Department responsible:	Management and Operations Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

827. UN-Habitat is in the process of formulating a strategy for minimizing consultancy costs in accordance with its strategic objectives for the period 2014–2019.

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[40] A/72/5/Add.9, chap. II.

828. In paragraph 73 of its report, the Board recommended that UN-Habitat comply with all agreed terms and conditions in contract agreements to avoid misunderstandings with donors.

Department responsible:	Management and Operations Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

829. The outstanding balances were received after complying with donors' conditions. UN-Habitat considers this recommendation to be implemented and requests its closure by the Board.

830. In paragraph 74 of the report, UN-Habitat agreed with the Board's recommendation that the organization strengthen the monitoring of the implementation of projects funded under conditional agreements in order to ensure that revenue is realized after the conditions have been fulfilled and to reduce the amount of liability in the financial statements.

Department responsible:	Management and Operations Division
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

831. The Management and Operations Division conducts periodic monitoring and adjustment of the conditional liabilities in line with the progress in the implementation of projects funded under conditional agreements. UN-Habitat considers this recommendation to be implemented and requests its closure by the Board.

XIII. United Nations Office on Drugs and Crime

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[41]

832. Table 34 summarizes the status of implementation of the main recommendations as of August 2018.

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[41] A/73/5/Add.10, chap. II.

Table 34
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	5	–	–	5	5	–
Division for Operations	1	–	–	1	1	–
Division for Policy Analysis and Public Affairs	2	–	–	2	2	–
Multiple offices	7	–	–	7	6	1
Total	**15**	**–**	**–**	**15**	**14**	**1**

833. Table 35 summarizes the status of implementation of all recommendations as of August 2018.

Table 35
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	31	–	3	28	28	–
Division for Operations	1	–	–	1	1	–
Division for Policy Analysis and Public Affairs	4	–	1	3	3	–
Office of the Executive Director	1	–	–	1	1	–
Multiple offices	12	–	–	12	11	1
Total	**49**	**–**	**4**	**45**	**44**	**1**

834. **In paragraph 20 of its report, the Board recommended that the United Nations Office on Drugs and Crime (UNODC) create a checklist with respect to all new pledges or agreements to ensure completeness and correct classification of revenues.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

835. UNODC uses an agreement clearance checklist and is in the process of extending its application to the new Umoja fund-raising module that is expected to be implemented by the first quarter of 2019.

836. **In paragraph 21 of its report, the Board further recommended that UNODC incorporate the aforementioned checklist of exchange revenues into the clearance process of incoming contributions and treat them as exchange revenues when applicable.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Management
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

837. The information on the type of revenue will be captured at the grant creation stage in Umoja and will be reviewed by UNODC in conjunction with the implementation of Umoja Extension 2. The relevant training material will be updated accordingly.

838. **In paragraph 26 of its report, the Board recommended that UNODC review the monthly distribution of expenses with the aim of further streamlining the full cost recovery process.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

839. Improved cost distribution templates and worksheets are being developed to enable review of the available funding.

840. **In paragraph 29 of its report, the Board recommended that UNODC project owners review their costs and outstanding commitments more frequently by means of, for example, business intelligence reports, which highlighted overspent budget lines.**

Departments responsible:	Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

841. UNODC will seek to improve the diligence of programme managers in their review of costs and outstanding commitments based on business intelligence reports. Existing business intelligence reports are being used to monitor compliance.

842. **In paragraph 30 of its report, the Board recommended that UNODC seek ways to enhance financial management visibility through additional business intelligence reports and corresponding training.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

843. Business intelligence reports are being developed and are scheduled to be released in the last quarter of 2018.

844. **In paragraph 33 of its report, the Board recommended that UNODC project owners ensure that electronic inter-office vouchers and commitments were cleared and charged to projects in a timely way.**

Departments responsible: Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs

Status: In progress

Priority: Medium

Target date: First quarter of 2019

845. UNODC will seek improvement in the timing of programme managers' review and clearance of inter-office vouchers and commitments based on business intelligence reports. Existing business intelligence reports are being used to monitor compliance.

846. **In paragraph 38 of its report, the Board recommended that UNODC keep the after-service health insurance funding clearly separated from operational cash in future.**

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: First quarter of 2019

847. UNODC is making efforts to keep the after-service health insurance funding separated from operational cash. In this regard, separate cost collectors have been established.

848. **In paragraph 39 of its report, the Board further recommended that UNODC analyse the current funding level for after-service health insurance and assess whether the funding level would be sufficient for all areas in the long term.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

849. As a funding strategy for future payments of after-service health insurance, UNODC started levying 9 per cent of gross salaries within voluntarily funded activities in 2012, and the reserve has been building up. UNODC continues to follow a "pay-as-you-go" practice for the time being.

850. **In paragraph 45 of its report, the Board recommended that UNODC review its currency risk and develop an internal guideline for handling currency exposures.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

851. The comments of UNODC are reflected in paragraph 46 of the Board's report (A/73/5/Add.10, chap. II).

852. **In paragraph 51 of its report, the Board further recommended that UNODC prepare the notes on currency exposure using a systematic approach with a clear trail of changes in cases in which modifications to Umoja data were necessary.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

853. UNODC used data from Umoja and reclassified items to the "correct" currency. UNODC is also exploring ways to automate this process and ensure that a clear trail of the changes made is maintained.

854. **In paragraph 56 of its report, the Board recommended that UNODC liaise with the United Nations Treasury in New York to enable access to the cash distribution functionality of the bank account in Panama.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

855. UNODC is liaising with the United Nations Treasury regarding access to the cash distribution functionality of the bank account in Panama.

856. **In paragraph 57 of its report, the Board further recommended that UNODC perform a review to ascertain whether there were additional cases where access to the cash pool was restricted.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

857. UNODC is performing a review to identify if there are other locations with restricted access to the United Nations Secretariat cash pool.

858. **In paragraph 61 of its report, the Board reiterated its previous recommendation that UNODC improve the control for petty cash balances,**

collect cash count statements for each petty cash account and ensure that cash count statements comply with relevant formal rules.

Department responsible: Division for Management

Status: Closure requested

Priority: Medium

Target date: Not applicable

859. All petty cash accounts are regularly monitored and reviewed. Any cases of non-compliance by petty cash custodians are reviewed to determine the need for recovery of any cash and/or for the removal of the delegated authority. UNODC considers this recommendation to be implemented and requests its closure by the Board.

860. **In paragraph 65 of its report, the Board recommended that UNODC take action to align the handling of petty cash in Colombia with the Financial Regulations and Rules of the United Nations.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

861. UNODC, in coordination with the Office of the Controller, will reassess the current handling of petty cash in Colombia to ensure that there are no deviations from the Financial Regulations and Rules of the United Nations.

862. **In paragraph74 of its report, the Board recommended that, to the extent possible, UNODC should define payment terms and due dates in every agreement so as to define a clear and easy reference in the ageing process.**

Departments responsible: Division for Policy Analysis and Public Affairs and Division for Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

863. Grants are approved with the terms reflected in the funding agreements. UNODC will remind programme managers of the process and monitor their compliance accordingly.

864. **In paragraph 75 of its report, the Board further recommended that UNODC improve the ageing process so that there was minimal manual intervention relating to due dates and that UNODC establish rules to define the dates that referred to the ageing process accordingly.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

865. The ageing process has been improved. Programme managers will be reminded of the process and monitored for their compliance accordingly.

866. In paragraph 80 of its report, the Board recommended that, as a first step, UNODC should start enhancing segment reporting by distinguishing expenses not only between drug and crime programmes but also among geographical regions and/or subprogrammes.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

867. UNODC is making arrangements to reflect segment reporting on its drug and crime programmes, as well as on its geographical regions and subprogrammes in the financial statements for the year ending 31 December 2018.

868. In paragraph 81 of its report, the Board recommended that, as a second step, UNODC should determine the feasibility of enhancing segment reporting further by distinguishing revenues, assets and liabilities among geographical regions and/or subprogrammes. The aforementioned recommendations should be implemented once the allocations to new segments were compliant with the requirements of IPSAS 18 and could be applied consistently over the years. This would enable readers to compare segment reporting among financial statements.

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2020

869. UNODC agreed with this recommendation in principle, noting that its implementation is conditional on the premise that allocations to new segments are compliant with the requirements of IPSAS 18 and can be applied consistently over the years. UNODC will make a determination about whether the that condition is achievable in order to implement the recommendation.

870. In paragraph 86 of its report, the Board recommended that UNODC enhance the overall process of recording all leases in the supplier relationship management database in Umoja.

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

871. UNODC is providing support and guidance to its field offices on recording their leases in the supplier relationship management database in Umoja. A complete list of leases in Umoja will be ready by the end of 2018.

872. **In paragraph 87 of its report, the Board further recommended that UNODC make efforts, in liaison with the United Nations Secretariat, to customize the Umoja real estate module to facilitate the identification of lease-in versus lease-out contracts as well as cancellable versus non-cancellable lease-in contracts. A database outside of Umoja would then become redundant in the future.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2020

873. UNODC and the United Nations Secretariat are discussing the feasibility of customizing the real estate module in the Umoja system.

874. **In paragraph 99 of its report, the Board recommended that UNODC review the programme section of the Programme and Operations Manual, update it as soon as possible and keep it up to date and accurate.**

Departments responsible: Division for Policy Analysis and Public Affairs, Division for Operations and Division for Management

Status: In progress

Priority: High

Target date: Second quarter of 2020

875. A number of outdated links in the programme section of the Programme and Operations Manual have been updated. UNODC is waiting to review the findings of the ongoing peer review of its results-based management approach before updating the rest of the contents of the programme section.

876. **In paragraph 101 of its report, the Board recommended that UNODC make the Programme and Operations Manual available in such a way that users could easily print a copy.**

Department responsible: Division for Policy Analysis and Public Affairs

Status: In progress

Priority: Medium

Target date: Second quarter of 2020

877. The UNODC comments on this recommendation are reflected in paragraph 102 of the Board's report (A/73/5/Add.10, chap. II).

878. **In paragraph 107 of its report, the Board recommended that UNODC integrate the Handbook for Results-Based Management and the 2030 Agenda for Sustainable Development and the document entitled "UNODC: the integrated programme approach: a 'how to' guide" into the Programme and Operations Manual.**

Department responsible: Division for Policy Analysis and Public Affairs

Status: In progress

Priority: High

Target date: Second quarter of 2020

879. As indicated in its comments above relating to the recommendation in paragraph 99 of the Board's report, UNODC is waiting to review the findings of the ongoing peer review of its results-based management approach before updating the rest of the contents of the programme section.

880. **In paragraph 114 of its report, the Board recommended that UNODC review the operations section of the Programme and Operations Manual. If UNODC considered the operations section no longer helpful, even after an update, the operations section should be abolished.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Second quarter of 2020

881. The operations section of the Programme and Operations Manual is in the process of being updated. The timeline for completing the update may be impacted by ongoing reform initiatives such as the global service delivery model and Umoja Extension 2.

882. **In paragraph 119 of its report, the Board recommended that UNODC assess its specific fraud risks in headquarters and field offices in a timely manner.**

Departments responsible:	Division for Management, Division for Operations, Division for Policy Analysis and Public Affairs and Division for Treaty Affairs
Status:	In progress
Priority:	High
Target date:	Second quarter of 2020

883. UNODC is in the process of assessing its specific fraud risks and will update its enterprise risk management matrix in line with that of the United Nations Secretariat.

884. **In paragraph 121 of its report, the Board recommended that UNODC start monitoring completion of the online training course entitled "Preventing fraud and corruption at the United Nations" through the Inspira learning management system.**

Department responsible:	Division for Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

885. UNODC is now monitoring the compliance rates for all mandatory training courses, including the one on preventing fraud and corruption at the United Nations through the Inspira learning management system. UNODC considers this recommendation to be implemented and requests its closure by the Board.

886. **In paragraph 122 of its report, the Board also recommended that UNODC consider offering additional training on fraud and corruption.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2020

887. UNODC is exploring the feasibility of promoting additional training courses on fraud and corruption through its e-learning platform.

888. **In paragraph 124 of its report, the Board recommended that UNODC provide information about fraud and corruption in a special section on its Intranet site and that UNODC update its Intranet site regularly.**

Departments responsible:	Office of the Executive Director, Division for Management, Division for Operations, Division for Policy Analysis and Public Affairs, Division for Treaty Affairs
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

889. UNODC is making arrangements to provide information on fraud and corruption in a special section on its Intranet site which will be updated regularly.

890. **In paragraph 125 of its report, the Board also recommended that UNODC include in the section about fraud and corruption a statement by its Executive Director to make the Office's approach to fraud and corruption clear.**

Department responsible:	Office of the Executive Director
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

891. UNODC is developing a message of its Executive Director on fraud and corruption that will be issued to staff and other stakeholders.

892. **In paragraph 128 of its report, the Board recommended that UNODC ensure that all its prospective agreements with implementing partners contained a clause on fraud and corruption prevention.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2019

893. UNODC is waiting for the completion by the Office of the Controller of a standardized, Organization-wide agreement with implementing partners that includes anti-fraud and anti-corruption clauses. Once the standardized agreement becomes available, UNODC will adapt it accordingly.

894. **In paragraph 130 of its report, the Board recommended that UNODC consider appointing focal points on fraud at its headquarters and field offices.**

Departments responsible:	Division for Management, Division for Operations, Division for Policy Analysis and Public Affairs, Division for Treaty Affairs
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2019

895. UNODC is in the process of appointing focal points and alternate focal points on fraud and corruption at headquarters and in the field offices.

896. **In paragraph 131 of its report, the Board also recommended that UNODC disseminate information about the focal points on its Intranet site and list them in the joint panel, body and focal point registry.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: First quarter of 2019

897. Once the appointment of the focal points is finalized, their names will be included in a registry and an announcement will be made to all UNODC staff.

898. **In paragraph 136 of its report, the Board recommended that UNODC make efforts, in liaison with the United Nations Secretariat, to train more staff members in fraud investigation to build adequate capacity.**

Department responsible: Division for Management

Status: In progress

Priority: Medium

Target date: Third quarter of 2019

899. UNODC will build investigative capacity for category II cases and will continue to rely on the services of the Office of Internal Oversight Services for category I cases. The Office of Internal Oversight Services classifies misconduct into two categories, as follows:

(a) Category I includes high-risk, complex matters and serious criminal cases, such as serious or complex fraud, other serious criminal acts or activity, abuse of authority or staff, conflict of interest, gross mismanagement, waste of substantial resources, all cases involving risk of loss of life to staff or to others, including witnesses, substantial violation of United Nations regulations, rules or administrative issuances, and complex proactive investigations aimed at studying and reducing risk to life and/or United Nations property;

(b) Category II includes minor cases of lower risk to the Organization, such as personnel matters, traffic-related inquiries, simple thefts, contract disputes, office management disputes, basic misuse of equipment or staff, basic mismanagement issues, infractions of regulations, rules or administrative issuances, and simple entitlement fraud.

900. **In paragraph 140 of its report, the Board recommended that UNODC make efforts, in liaison with the United Nations Secretariat, to customize the Umoja travel module to facilitate advance travel planning and to pool the overall travel process within Umoja.**

Department responsible: Division for Management

Status: In progress

Priority: High

Target date: Fourth quarter of 2020

901. UNODC will liaise with the United Nations Secretariat to discuss the feasibility of customizing the travel module in the Umoja system as recommended by the Board.

902. **In paragraph 144 of its report, the Board recommended that UNODC consider requesting a review of the advance purchase policy by the United Nations Secretariat as well as an evaluation of how best prices for travel can be achieved.**

Department responsible: Division for Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2020

903. UNODC and the United Nations Secretariat are holding discussions on the advance purchase policy in the Secretariat-wide working group on travel.

904. **In paragraph 152 of its report, the Board recommended that UNODC remind its staff of the current advance purchase policy and their duty to comply with it.**

Department responsible: Division for Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2019

905. A special message will be sent to all staff at UNODC headquarters and field offices to remind them of the advance purchase policy and the requirement to comply with it.

906. **In paragraph 153 of its report, the Board also recommended that UNODC regularly evaluate its compliance with the advance purchase policy and immediately initiate corrective actions, when necessary.**

Department responsible: Division for Management
Status: In progress
Priority: Medium
Target date: Fourth quarter of 2019

907. Quarterly reports will be run, analysed and distributed to UNODC managers, who will then be required to report on the corrective actions they have taken.

908. **In paragraph 158 of its report, the Board recommended that UNODC consider, in liaison with the United Nations Secretariat, implementing an automated control mechanism in Umoja to monitor and review express expense reports.**

Department responsible: Division for Management
Status: In progress
Priority: Medium
Target date: Second quarter of 2019

909. UNODC is liaising with the United Nations Secretariat to find a systematic manner of selecting travel transactions for ex ante review through the Umoja system.

910. **In paragraph 164 of its report, the Board recommended that UNODC consider, in liaison with the global enterprise resource planning team, improving the process of handling cases with pending expense reports.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

911. UNODC is liaising with the United Nations Secretariat to find ways of improving the process of handling cases with pending expense reports.

912. **In paragraph 167 of its report, the Board recommended that UNODC review, in liaison with the United Nations Secretariat, the automatic recovery function of Umoja, especially with regard to initiated expense reports, which should block the system only for a reasonable period of time.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

913. UNODC is liaising with the United Nations Secretariat to assess the feasibility of using the automatic recovery function of Umoja.

914. **In paragraph 173 of its report, the Board recommended that UNODC ensure immediate action to enable the establishment of an overall procurement plan for 2018.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

915. The UNODC overall procurement plan for 2018 is being finalized.

916. **In paragraph 174 of its report, the Board also recommended that UNODC review and refine the established structure to collect the consolidated procurement plans of the subordinate entities in a timely manner.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

917. UNODC is refining the established structure to ensure that procurement plans for 2019 are submitted by all entities by November 2018.

918. **In paragraph 178 of its report, the Board recommended that UNODC improve its request for consolidated procurement plans by demanding more detailed information and enhancing data for a useful overall procurement plan.**

Department responsible:	Division for Management
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

919. UNODC has made the relevant modifications to the template that is used to gather information for procurement plans. UNODC considers this recommendation to be implemented and requests its closure by the Board.

920. **In paragraph 183 of its report, the Board recommended that UNODC analyse the root causes for ex post facto procurement cases and establish specific measures to prevent the recurrence of such cases.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

921. The number of ex post facto cases has been reduced following implementation of some measures to prevent their recurrence. A new analysis of ex post facto cases will be implemented over a period of six months to determine the quantity of cases and investigate the root causes for such cases.

922. **In paragraph 188 of its report, the Board recommended that UNODC establish a network of field operational focal points on the Sustainable Development Goals, and, together with the members of the informal working group at UNODC headquarters, advertise the network internally.**

Department responsible:	Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

923. The network of UNODC field operational focal points on the Sustainable Development Goals will be established by the end of 2018.

924. **In paragraph 194 of its report, the Board recommended that UNODC continue providing training activities on the 2030 Agenda for Sustainable Development by applying a result-based management approach.**

Department responsible:	Division for Policy Analysis and Public Affairs
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

925. Training sessions have been conducted at both the UNODC headquarters and the field office levels. UNODC considers this recommendation to be implemented and requests its closure by the Board.

926. **In paragraph 195 of its report, the Board further recommended that UNODC develop a training package to deliver comprehensive guidance and advice on how the Sustainable Development Goals could best be integrated into UNODC work, and make the training package available to UNODC staff as an online training course.**

Department responsible:	Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

927. The online training module is being developed and is expected to be launched before the end of 2018.

928. **In paragraph 199 of its report, the Board recommended that UNODC develop a knowledge platform to enable and support the internal information on the Sustainable Development Goals across UNODC.**

Departments responsible:	Division for Policy Analysis and Public Affairs, Division for Operations, Division for Treaty Affairs
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

929. The Sustainable Development Goals information pages on the UNODC website are being updated. In addition, all materials relating to the Goals will be collated on the UNODC Intranet site.

930. **In paragraph 204 of its report, the Board recommended that UNODC thoroughly analyse all its projects and programmes and consider enhancing future strategic frameworks with all the Sustainable Development Goals and targets to which UNODC could contribute.**

Departments responsible:	Division for Policy Analysis and Public Affairs, Division for Operations, Division for Treaty Affairs
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

931. All UNODC programmes are aligned with its current strategic framework and the Sustainable Development Goals. UNODC continues to ensure that its field offices and headquarters units align projects and programmes with its strategic framework. Given the proposed redesign of the strategic framework, UNODC will ensure that its contribution to attaining the Sustainable Development Goals is fully reflected, subject to approval by the Committee for Programme and Coordination.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

932. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.10, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 16 recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

933. Table 36 summarizes the overall situation as of August 2018.

Table 36
Status of implementation of recommendations from prior periods considered not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Division for Management	8	–	2	6	5	1
Multiple offices	8	–	4	4	3	1
Total	**16**	–	**6**	**10**	**8**	**2**

Report of the Board for the year ended 31 December 2016[42]

934. **In paragraph 16 of its report, the Board recommended that UNODC use a systems-integrated approach to incorporate inter-organizational eliminations within the business planning and consolidation module, including any additional actions necessary to reach this goal, for example, an alignment of the funds structure.**

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[42] A/72/5/Add.10, chap. II.

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

935. This recommendation relates to a fund that is used for both exchange and non-exchange activities. Upon review, UNODC decided that a new fund was required to enable the identification of activities that were eliminated for statement purposes and minimize the need for business planning and consolidation journals. A new fund will be established in Umoja by the end of 2018.

936. **In paragraph 25 of its report, the Board recommended that UNODC set up a clear structure for its sources of income in order to better meet its accounting and reporting requirements.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

937. UNODC has reviewed the structure for its sources of income. A new fund will be established in Umoja by the end of 2018.

938. **In paragraph 30 of its report, the Board recommended that UNODC improve its control over petty cash balances, collect cash count statements for each petty cash account and ensure that statements and general ledger accounts match.**

Department responsible:	Division for Management
Status:	Closure requested
Priority:	High
Target date:	Not applicable

939. All petty cash accounts are regularly monitored and reviewed. Any cases of non-compliance by petty cash custodians are reviewed to determine the need for recovery of any cash and/or for the removal of the delegated authority. UNODC considers this recommendation to be implemented and requests its closure by the Board.

940. **In paragraph 42 of its report, the Board recommended that UNODC strengthen its controls over concluded pledge agreements to ensure that the financial statements reflect all contribution agreements.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	First quarter of 2020

941. The Umoja Extension 2 enhancements will reflect the closure of grants and all related contribution agreements.

942. **In paragraph 56 of its report, the Board recommended that UNODC headquarters develop pragmatic ICT standard operating procedures and templates that field offices could use for the main ICT areas to ensure that compliance could be monitored.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

943. A document entitled "UNODC field office computing guide" is currently being reviewed and is expected to be finalized and published by the end of 2018.

944. **In paragraph 62 of its report, the Board recommended that UNODC set up standards for accessibility of field office premises.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

945. UNODC is reviewing UNDP policies and standards regarding accessibility in the field offices. UNODC will assess, in consultation with the Department of Management, whether separate UNODC policies and standards should be developed.

946. **In paragraph 63 of its report, the Board recommended that UNODC consider cooperating with UNDP to implement standards for accessibility in UNDP-administered premises.**

Departments responsible:	Division for Management and Division for Operations
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

947. As indicated above, UNODC is reviewing UNDP policies and standards regarding accessibility in the field offices and will cooperate with UNDP accordingly.

948. **In paragraph 68 of its report, the Board recommended that UNODC, in cooperation with the United Nations Office at Vienna, establish regular monitoring of procurement activities at UNODC headquarters and field offices and assign clear responsibilities for the monitoring process.**

Department responsible:	Division for Management
Status:	In progress
Priority:	High
Target date:	Ongoing

949. The policy and methodology for the monitoring and oversight of procurement are now part of the Secretary-General's planned management reform and they are being addressed centrally for the United Nations Secretariat. As of August 2018, on-site training and site visits in three geographical regions of UNODC had been conducted with a view to improving and monitoring their procurement practices.

950. **In paragraph 76 of its report, the Board recommended that UNODC consider the document entitled "UNODC and the Sustainable Development Goals" as a "living" document and update it as necessary.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	In progress
Priority:	High
Target date:	Ongoing

951. The document entitled "UNODC and the Sustainable Development Goals" is being updated.

952. **In paragraph 83 of its report, the Board recommended that UNODC adapt its strategic planning in order to establish a long-term strategy for effective and coherent support with regard to implementing the Sustainable Development Goals.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

953. The long-term strategy for effective and coherent support of the Sustainable Development Goals has been established in the UNODC strategic plan. UNODC considers this recommendation to be implemented and requests its closure by the Board.

954. **In paragraph 84 of its report, the Board recommended that UNODC align all programmes and activities to the Sustainable Development Goals and, where applicable, to concrete targets, so that its work on the Goals became more visible and its actions received more recognition.**

Departments responsible:	Division for Policy Analysis and Public Affairs and Division for Operations
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

955. All UNODC programmes are now aligned with the Sustainable Development Goals. UNODC considers this recommendation to be implemented and requests its closure by the Board.

Report of the Board for the year ended 31 December 2015[43]

956. **In paragraph 33 of its report, the Board recommended that UNODC make better use of existing risk material collated to inform management decisions, and that risks and their mitigations be regularly reviewed by senior management and reassessed to inform the corporate risk register.**

Departments responsible:	Office of the Executive Director, Division for Management, Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

957. Regular reviews by senior management continue to take place through the reporting to the Executive Committee on the action taken with regard to enterprise risk management, including suggested decisions to address key risks. UNODC considers this recommendation to be implemented and requests its closure by the Board.

958. **In paragraph 86 of its report, the Board recommended that UNODC consider the scope for simplifying the reporting structure, for example, by only reporting changes from the previous submissions, through better use of graphics to show progress against targets and through the inclusion of key expenditure data to identify departures from the agreed forecasts, and to highlight reasons for variances in spending and activity.**

Departments responsible:	Division for Treaty Affairs, Division for Operations and Division for Policy Analysis and Public Affairs
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2020

959. UNODC is exploring the possibilities for further integrating Umoja and the donor reporting dashboard in the context of the Umoja Extension 2 enhancements.

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[43] A/71/5/Add.10, chap. II.

Report of the Board for the year ended 31 December 2014[44]

960. **In paragraph 18 of its report, the Board recommended that UNODC develop fraud risk assessments to identify areas where it is most susceptible to fraud within its operations. These should be used to inform the development of risk mitigation plans to focus training and targeted exception reporting to detect cases of fraud.**

Department responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

961. UNODC is in the process of assessing its specific fraud risks and will update its enterprise risk management matrix in line with that of the United Nations Secretariat.

962. **In paragraph 44 of its report, the Board recommended that, to embed an evaluation culture, individual project managers should take responsibility for their projects to be evaluated. Compliance with this activity should be included in the performance appraisal system. Furthermore, the implementation rates of evaluation recommendations should be monitored by senior management.**

Departments responsible:	Independent Evaluation Unit, Office of the Executive Director, Division for Operations, Division for Treaty Affairs and Division for Policy Analysis and Public Affairs
Status:	Closure requested
Priority:	High
Target date:	Not applicable

963. Project managers are held accountable for planning and conducting evaluations in line with the UNODC evaluation policy in the project and programme documents and revisions. The Independent Evaluation Unit of UNODC reviews all project and programme documents and revisions for compliance with the evaluation policy and reports on any non-compliance to senior management. UNODC considers this recommendation to be implemented and requests its closure by the Board.

Report of the Board for the biennium ended 31 December 2013[45]

964. **In paragraph 75 of the report, UNODC agreed with the Board's recommendation that it enhance its framework for the engagement of external parties.**

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[44] A/70/5/Add.10 and A/70/5/Add.10/Corr.1, chap. II.

[45] A/69/5/Add.10, chap. II.

Departments responsible:	Division for Management
Status:	In progress
Priority:	Medium
Target date:	Ongoing

965. The UNODC framework for the engagement of external parties has been enhanced. However, UNODC anticipates that more changes will emanate from the implementation of the Umoja Extension 2 solution and the Secretariat-wide policy for implementing partners and end beneficiaries, which it will need to take into consideration in further revising its framework.

XIV. United Nations Office for Project Services

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[46]

966. Table 37 summarizes the status of implementation of the main recommendations as of August 2018.

Table 37
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Finance Group	1	–	1	–	–	–
Infrastructure and Project Management Group	1	–	–	1	1	–
Procurement Group	1	–	–	1	1	–
Multiple offices	1	–	–	1	1	–
Total	**4**	–	**1**	**3**	**3**	–

967. Table 38 summarizes the status of implementation of all recommendations as of August 2018.

Table 38
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Finance Group	3	–	2	1	1	–
Infrastructure and Project Management Group	1	–	–	1	1	–
People and Change Group	1	–	–	1	1	–
Procurement Group	4	–	–	4	4	–
Multiple offices	3		–	3	3	–
Total	**12**	–	**2**	**10**	**10**	–

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[46] A/73/5/Add.11, chap. II.

968. **In paragraph 32 of its report, the Board recommended that the United Nations Office for Project Services (UNOPS): (a) prescribe the records and information to be provided by the investment manager and undertake periodic inspection of the records and audit of the funds management in line with the provisions set out in the agreement with the investment manager; and (b) review the contract agreement with the custodian and include provisions for the conduct of an independent inspection and/or audit of relevant records of the custodian pertaining to UNOPS investment.**

Department responsible:	Finance Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

969. UNOPS will hold discussions with its investment manager regarding reporting requirements to UNOPS. This will include a review of current monthly and quarterly reporting as well as any required ad hoc reporting. The nature and structure of this reporting will be focused on ensuring that the investment manager provides relevant and accurate information to UNOPS. In addition, UNOPS will assess the feasibility of undertaking an independent audit of the information the investment manager holds on behalf of UNOPS. A discussion will also be held with the custodian on amending the master custody agreement to include a clause allowing for independent inspections and/or audits of the information the custodian holds on behalf of UNOPS.

970. **In paragraph 42 of its report, the Board recommended that UNOPS expedite implementation and operationalization of the enterprise portfolio and project management system and the enterprise risk management system as planned.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

971. The Infrastructure and Project Management Group has established an internal project structure to implement and deliver this project and ensure timely operationalization of the enterprise portfolio and project management system and the enterprise risk management system initiatives, which are now called "oneUNOPS". The project will be implemented through three releases in 2018 and 2019, with progressive enhancements and increases of functionalities based on testing and user feedback. Version 1.0 will be released in October 2018, version 2.0 in January 2019 and version 3.0 in April 2019.

972. **In paragraph 48 of its report, the Board recommended that UNOPS initiate the process of the financial closure of projects soon after they had been operationally closed, so as to complete the process within the stipulated period.**

Department responsible: Finance Group

Status: Closure requested

Priority: Medium

Target date: Not applicable

973. UNOPS has established a plan to close its financial books on a quarterly basis, which has improved the timeliness of project closures. UNOPS has also implemented changes in its enterprise resource planning system to ensure that the personnel responsible for project closures receive advance notification when a project is due for financial closure. UNOPS considers this recommendation to be implemented and requests for closure by the Board.

974. **In paragraph 49 of its report, the Board also recommended that UNOPS develop a system in oneUNOPS that triggers action for financial closure immediately after operational closure, so that financial closure can be completed within the targeted period.**

Department responsible: Finance Group

Status: Closure requested

Priority: High

Target date: Not applicable

975. As mentioned in the comments relating to the recommendation in paragraph 48 of the Board's report, UNOPS has implemented changes in its system that provide advance notification to the personnel responsible for project closures when a project is due for financial closure. UNOPS considers this recommendation to be implemented and requests its closure by the Board.

976. **In paragraph 57 of its report, the Board recommended that UNOPS review the applicability of its sustainable procurement criteria checklists to address all relevant and important sustainability concerns under various procurement categories.**

Department responsible: Procurement Group

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2019

977. UNOPS is in the process of reviewing its sustainable procurement criteria checklists. Revised versions of the checklists, including dedicated guidance under certain categories, such as infrastructure, information technology equipment and gender, will be promulgated after discussions with key stakeholders.

978. **In paragraph 65 of its report, the Board recommended that UNOPS review the sustainability framework to ensure the embedding of sustainability concerns based on the category of goods/services procured as well as the value of the contract.**

Department responsible:	Procurement Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

979. UNOPS is planning to elaborate on its existing framework for sustainable procurement based on categories of goods and services and contract value. The framework will be outlined in the next revision of the Procurement Manual.

980. **In paragraph 66, the Board also recommended that a mechanism be put in place to assess satisfactory compliance with the essential elements of the framework.**

Department responsible:	Procurement Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

981. UNOPS is continuing to make improvements in how its sustainable procurement efforts are measured. These improvements will be included in the elaboration of the sustainable procurement framework mentioned above.

982. **In paragraph 73 of its report, the Board recommended that: (a) UNOPS strengthen its reporting and monitoring mechanism with respect to the mainstreaming of gender into projects by ensuring that the documentation of gender mainstreaming becomes, as far as feasible, an intrinsic part of the project management process, and ensure the preparation of gender action plans by all gender focal points; and (b) the role of gender focal points be strengthened by providing the resources necessary, such as time and a budget, for the effective implementation of their roles and responsibilities.**

Departments responsible:	Infrastructure and Project Management Group and People and Change Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

983. With regard to part (a) of the recommendation, UNOPS is preparing to promulgate the gender mainstreaming strategy by the end of 2018. The strategy lays out the approach and timelines for the measures to integrate gender mainstreaming into projects, including planning, monitoring and reporting. The associated gender mainstreaming action plan requires that by 31 December 2019 all relevant UNOPS projects must integrate gender considerations into their project plans.

984. With respect to part (b) of the recommendation, the head of programme has been given the responsibility for the delivery of the gender mainstreaming strategy in UNOPS engagements, with the support of the country office teams. After the forthcoming promulgation of the gender mainstreaming strategy, UNOPS will

formalize the responsibilities of gender focal points by issuing their terms of reference.

985. **In paragraph 80 of its report, the Board recommended that UNOPS carry out the required changes in oneUNOPS and review the validation rules to ensure the correctness of the data related to procurement and personnel.**

Departments responsible: Procurement Group and People and Change Group

Status: In progress

Priority: Medium

Target date: First quarter of 2019

986. The Procurement Group, working with the information and communications technology team, has drafted the technical requirements to implement the required changes in the procurement module of the oneUNOPS system. Several changes have already been implemented and others will be implemented upon the release of the contract management module in the system, which is planned for the first quarter of 2019.

987. **In paragraph 86 of its report, the Board recommended that UNOPS review the position titles in use across the organization and continue its efforts to standardize them in line with the International Civil Service Commission framework in a time bound manner.**

Departments responsible: Procurement Group and People and Change Group

Status: In progress

Priority: Medium

Target date: First quarter of 2019

988. UNOPS is setting up a project team within the People and Change Group to review position titles and to identify deliverables in terms of both policy and system changes, as well as to set out an implementation plan for the deliverables.

989. **In paragraph 92 of its report, the Board recommended that UNOPS prescribe the periodicity for updating the business continuity and disaster recovery plans and ensure that all the units updated their business continuity and disaster recovery plans within the time frame so prescribed.**

Departments responsible: Global Shared Service Centre and Information and Communications Technology Unit

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

990. UNOPS has inserted the following text in the draft version of its revised administrative instruction: “Business continuity and disaster recovery plans must be updated every 18 months as a minimum, and whenever there are changes in personnel responsibilities, contact information or functional changes”. The updated administrative instruction is expected to be promulgated by the end of 2018.

991. **In paragraph 100 of its report, the Board recommended that UNOPS strengthen its internal control mechanism to initiate procurement activities with clear and correct specifications.**

Department responsible:	Procurement Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

992. UNOPS is implementing improvements to its internal control mechanism to initiate procurement activities through clear and correct specifications and will reflect such improvements in the next revision of its Procurement Manual. The improvements will also be reinforced through the eProcurement systems of UNOPS that include eSourcing and UN Web Buy Plus.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

993. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.11, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the 39 recommendations that have been determined by the Board either to be under implementation or not to have been implemented. The information is set out below in the order in which the recommendations are presented in the annex.

994. Table 39 summarizes the overall situation as of August 2018.

Table 39
Status of implementation of recommendations from prior periods considered by the Board as not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Ethics Group	1	–	1		1	–
Finance Group	7	–	1	6	6	–
Global Shared Service Centre	3	–	2	1	1	–
Information and Communications Technology Unit	3	–	–	3	3	–
Infrastructure and Project Management Group	9	–	1	8	8	–
People and Change Group	8	–	–	8	8	–
Procurement Group	1	–	–	1	1	–
Multiple offices	7	–	1	6	6	–
Total	**39**	–	**6**	**33**	**33**	–

Report of the Board for the year ended 31 December 2012[47]

995. **In paragraph 44 of the report, UNOPS agreed with the Board's recommendation that it: (a) appoint a fraud risk owner, or senior risk officer, at**

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[47] A/68/5/Add.10 and A/68/5/Add.10/Corr.1, chap. II.

a suitably senior level, to be accountable for the active management of fraud risks throughout UNOPS activities; (b) perform a comprehensive organization-wide fraud risk assessment to identify the major types of fraud risk that UNOPS faces; and (c) define UNOPS tolerance to various types of fraud risk and ensure that fraud controls were commensurate with this risk appetite.

Department responsible:	Finance Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

996. The implementation of an enterprise risk management framework for UNOPS is ongoing as an integrated component of the oneUNOPS project. In accordance with the agreed timeline, the initial prototype of the online solution for enterprise risk management is expected to be rolled out across UNOPS by the end of 2018.

997. **In paragraph 82 of the report, UNOPS agreed with the Board's recommendation that it develop a mechanism to generate better information on the post-completion performance of buildings.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

998. The mechanism to generate information on post-completion performance of buildings is covered in the revised draft of the design planning manual, which is expected to be finalized by the end of 2018.

Report of the Board of Auditors for the year ended 31 December 2013[48]

999. **In paragraph 34 of its report, the Board recommended that practical steps be taken to implement enterprise risk management strategies, policies and procedures across the entity without further delay. Specifically, UNOPS should: (a) identify, document and assess key risks to achieving strategic objectives; (b) regularly update and monitor risk information that could be aggregated at the entity level; (c) document risk tolerances so that they were understood and applied throughout the organization; (d) use risk registers to record the likelihood of a risk materializing, the impact of the risk, the proposed mitigating actions and the assessed level of risk post-mitigation; and (e) assign risk owners to take responsibility for monitoring and controlling each risk.**

Department responsible:	Finance Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

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[48] A/69/5/Add.11 and A/69/5/Add.11/Corr.1, chap. II.

1000. The implementation of an enterprise risk management framework for UNOPS is ongoing as an integrated component of the oneUNOPS project. In accordance with the agreed timeline, the initial prototype of the online solution for enterprise risk management is expected to be rolled out across UNOPS by the end of 2018.

Report of the Board of Auditors for the year ended 31 December 2014[49]

1001. **In paragraph 36 of its report, the Board recommended that UNOPS reconfirm the level of expected savings arising from the implementation of enterprise resource planning and seek to obtain viable benchmark cost data to inform a review of the realized process cost benefits.**

Department responsible: Information and Communications Technology Unit

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1002. A report on the implementation of the enterprise resource planning system has been finalized and will be issued after it is presented to and cleared by the UNOPS Executive Office.

1003. **In paragraph 39 of its report, the Board recommended that UNOPS further explore opportunities to improve business process efficiency by standardizing work practices and processes, delegations of authority and alignment of access rights to improvements in the internal control framework and based on the needs of the business.**

Departments responsible: Information and Communications Technology Unit and Finance Group

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

1004. The review of the internal control framework is ongoing and is expected to be completed by June 2019.

1005. **In paragraph 58 of its report, the Board recommended that UNOPS: (a) obtain feedback from practice groups on the performance of the People and Change Practice Group as a business partner; (b) manage and monitor the benefits of recent organizational reforms, including the Global Shared Service Centre; and (c) develop a measure covering the cost-efficiency of the human resources function, such as the human resources staff-to-workforce ratio.**

Department responsible: People and Change Group

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

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[49] A/70/5/Add.11 and A/70/5/Add.11/Corr.1, chap. II.

1006. UNOPS has developed benchmark ratios to measure the cost-efficiency of the human resources management function, and they will be monitored.

1007. **In paragraph 62 of its report, the Board recommended that the People and Change Practice Group, working with the other practice groups, collect and assess information on the knowledge and experience of its workforce to inform future skills and workforce planning.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

1008. The wider knowledge management initiative is committed to enabling the visibility of technical expertise at UNOPS. The project has been scoped and validated by the knowledge management regional focal points. The overall programme plan is being developed. After it is completed, the People and Change Group will approach the Information and Communications Technology Unit for support.

1009. **In paragraph 70 of its report, the Board recommended that UNOPS monitor turnover rates as a result of resignations, to inform its workforce planning.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1010. UNOPS is currently monitoring staff turnover rates and evaluating further actions.

1011. **In paragraph 75 of its report, the Board recommended that UNOPS: (a) fully test future business case assumptions to ensure they were supported by evidence and adequately reviewed; (b) closely monitor the impact of changes to terms for local contractors to ensure that the expected benefits were realized in practice; and (c) implement measures to address the very high turnover levels among international individual contractors, subject to a careful analysis of the causes of turnover and characteristics of such positions.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

1012. UNOPS has noted the feedback from the Board and is currently evaluating further actions.

1013. **In paragraph 101 of its report, the Board recommended that UNOPS review the merit award scheme to ensure that it was consistently aligned to the achievement of its objective of a break-even.**

Department responsible:	People and Change Group
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1014. UNOPS has noted the feedback from the Board and is currently evaluating further actions.

Report of the Board of Auditors for the year ended 31 December 2015[50]

1015. **In paragraph 15 of its report, the Board recommended that UNOPS reassess the approved minimum level of operational reserves in order to take into account actuarial gains and losses previously incurred and the inclusion of property, plant and equipment.**

Department responsible:	Finance Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

1016. UNOPS continues to work with the Board to find a solution that will lead to the closure of this recommendation.

1017. **In paragraph 16 of its report, the Board further recommended that UNOPS consider how the reserve surplus might be utilized, in the context of a strategic review of UNOPS operational resourcing needs.**

Department responsible:	Finance Group
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

1018. UNOPS continues to work with the Board to find a solution that will lead to the closure of this recommendation.

1019. **In paragraph 32 of its report, the Board recommended that, if adopted, the new governance, risk and compliance framework be used to support the development of a statement on internal control to bring together the structure of the processes and the assurances that underpin them.**

Departments responsible:	Legal Group and Finance Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

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[50] A/71/5/Add.11, chap. II.

1020. UNOPS is planning a review of its internal controls, which will be followed by the development of a statement on internal control.

1021. **In paragraph 33 of its report, the Board recommended that UNOPS consider the implementation plan for the new governance, risk and compliance framework, ensuring that it was sufficiently detailed, clear and realistic, incorporated sufficient training and communication plans, and had clear accountabilities and clear linkage to other UNOPS initiatives.**

Departments responsible:	Legal Group and Finance Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

1022. As indicated above, UNOPS is planning a review of its internal controls, which will be followed by the development of a statement on internal control.

1023. **In paragraph 44 of its report, the Board recommended that, on receipt of the system controls and configuration report, UNOPS evaluate the recommendations made by the external consultant to consider whether it provided sufficient assurance and, in the event of any weaknesses, undertake a review to determine whether any such weaknesses had been exploited.**

Department responsible:	Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1024. UNOPS has completed addressing nearly all of the recommendations that were made by the external consultant, and the remaining ones will be completed by the end of 2018.

1025. **In paragraph 48 of its report, the Board reiterated its previous recommendation that UNOPS obtain viable benchmark cost data to inform a review of the benefits arising from process improvements.**

Departments responsible:	Finance Group and Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1026. A report on the analysis of process benefits and cost savings has been finalized and will be issued after it is presented to and cleared by the UNOPS Executive Office.

1027. **In paragraph 49 of its report, the Board recommended that future significant investments be subject to, in advance, a more robust analysis in terms of process benefits and cost savings to better inform the evaluation of a project's success and to inform future implementation.**

Departments responsible:	Finance Group and Information and Communications Technology Unit
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1028. As indicated above, a report on the analysis of process benefits and cost savings has been finalized and will be issued after it is presented to and cleared by the UNOPS Executive Office.

1029. **In paragraph 63 of its report, the Board recommended that UNOPS strengthen its engagement acceptance and risk management processes so that they were sufficiently robust to support the assessment of new or novel lines of business.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

1030. The development of the enterprise portfolio and project management system is being contracted out as planned in order to systemize the Project Management Manual and integrate engagement development, acceptance and assurance processes. An internal project structure has been established to implement and deliver the enterprise portfolio and project system and the enterprise risk management system initiatives.

1031. **In paragraph 95 of its report, the Board recommended that UNOPS: (a) conduct a comprehensive review of the pricing policy to consider how best to take risk into account in ways that were consistent, transparent and evidence-based; and (b) develop a policy for the use of accumulated financial surpluses arising from "risk increments" received but not ultimately required.**

Department responsible:	Finance Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

1032. UNOPS has successfully rolled out its risk assessment process. It has therefore implemented part (a) of the recommendation. With regard to part (b), UNOPS will further discuss with the Board how to address the issue of risk increments.

Report of the Board for the year ended 31 December 2016[51]

1033. **In paragraph 20 of its report, the Board recommended that UNOPS obtain the post facto approval of the Executive Board with respect to the original and final management budgets, including each line item.**

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[51] A/72/5/Add.11, chap. II.

Department responsible:	Finance Group
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2019

1034. In connection with its budget estimates for the biennium 2020–2021, UNOPS is planning to request post facto approval of the final budget for the biennium 2016–2017.

1035. **In paragraph 25 of its report, the Board recommended that UNOPS reassess the adequacy of internal controls relating to bank payments and strengthen the supervisory checks to ensure that incidents of double payment, overpayment or excess payment did not occur in the future.**

Department responsible:	Global Shared Service Centre
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

1036. The following actions have been taken to strengthen the payment process with the aim of eliminating double payments, overpayments or excess payments: (a) completion of the integration of oneUNOPS with e-banking platforms; (b) improvement of the oneUNOPS system by eliminating the possibility of making the same payment twice without proper justification; (c) improvement of internal management controls by establishing a quarterly report highlighting all issues related to payments and reconciliations for action; and (d) completion of the supplier data clean-up project. UNOPS considers this recommendation to be implemented and requests its closure by the Board.

1037. **In paragraph 30 of its report, the Board recommended that UNOPS establish a well-defined management reporting and monitoring structure and define the role of headquarters directors (practice leads) for each practice.**

Departments responsible:	People and Change Group and Quality Management Unit
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

1038. The administrative instruction on the UNOPS organizational structures has been issued. The administrative instruction on delegation of authority is in the final review stage and it is expected to be promulgated by the end of 2018.

1039. **In paragraph 44 of its report, the Board recommended that UNOPS consider establishing a financial disclosure policy for its personnel that was aligned with the financial disclosure policy of the United Nations Secretariat (as defined in ST/SGB/2006/6).**

Department responsible: Ethics Office

Status: Closure requested

Priority: Medium

Target date: Not applicable

1040. UNOPS considered establishing a financial disclosure policy for its personnel that was aligned with the policy of United Nations Secretariat and noted that not all elements of the Secretariat's policy were applicable to UNOPS. UNOPS has, however, aligned its policy with the elements of the Secretariat's policy that are applicable to it. UNOPS considers this recommendation to be implemented and requests its closure by the Board.

1041. **In paragraph 50 of its report, the Board recommended that UNOPS ensure compliance with its administrative instruction on business continuity and disaster recovery planning in all its offices and components and include information technology assets, data and systems.**

Department responsible: Global Shared Service Centre

Status: Closure requested

Priority: Medium

Target date: Not applicable

1042. UNOPS has updated its business continuity and disaster recovery plans and therefore requests closure of this recommendation by the Board.

1043. **In paragraph 58 of its report, the Board recommended that UNOPS review the performance of oneUNOPS to determine whether all the intended controls were in place and working effectively, whether the intended benefits of the new systems were being realized and whether information system delivery components were adequately aligned with the intended business requirements, including management information reports.**

Department responsible: Information and Communications Technology Unit

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1044. A report on the implementation of the enterprise resource planning system has been finalized and will be issued after it is presented to and cleared by the UNOPS Executive Office.

1045. **In paragraph 73 of its report, the Board recommended that UNOPS review its project management information system, along with transition to oneUNOPS, so that centralized information on project status, including extensions and reasons for delayed implementation, were captured for better management oversight.**

Department responsible: Infrastructure and Project Management Group

Status: In progress

Priority: High

Target date: Second quarter of 2019

1046. In order to centralize the information about project status and enable better project management oversight, the development of the enterprise portfolio and project management system is being contracted out. It is expected to be completed by June 2019.

1047. **In paragraph 81 of its report, the Board recommended that UNOPS build a portfolio management model to optimize the portfolio of delivery practices so as to ensure the maximization of sustainability considerations, as well as its own financial viability.**

Department responsible: Infrastructure and Project Management Group

Status: In progress

Priority: High

Target date: Second quarter of 2019

1048. See the comments of UNOPS above relating to the recommendation in paragraph 73 of the Board's report for the year ended 31 December 2016. The enterprise portfolio and project management system will include portfolio management capabilities.

1049. **In paragraph 87 of its report, the Board recommended that UNOPS establish and adopt a sustainability screening tool to screen projects against sustainability standards at the design stage, fixing sustainability targets and deliverables to facilitate the monitoring of progress during the life of a project.**

Department responsible: Infrastructure and Project Management Group

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

1050. The Project Management Manual, which includes social and environmental screening aspects applicable to all advisory or implementation projects, is in the piloting stage. The Manual templates, including the project initiation document template, have been released for trial use.

1051. **In paragraph 95 of its report, the Board recommended that UNOPS incorporate sustainability targets and deliverables into project initiation documents, for mandatory screening and monitoring, measurement and reporting of sustainability contributions at all stages of the project life cycle, from engagement acceptance, quarterly assurance and project progress reports to project closure reports.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

1052. See the comments of UNOPS above relating to the recommendation in paragraph 87 of the Board's report for the year ended 31 December 2016.

1053. **In paragraph 102 of its report, the Board recommended that UNOPS establish a standard procedure for sustainability results reporting at the output and outcome levels by capturing data throughout the business process, to be measured against predefined sustainability standard indicators, targets and deliverables, and having the results validated through a verification mechanism.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	High
Target date:	Second quarter of 2019

1054. Data will be captured in the enterprise portfolio and project management system throughout the entire business process and systematically measured against predefined standard indicators of outputs, which will contribute to the intended sustainable results.

1055. **In paragraph 106 of its report, the Board recommended that UNOPS develop a time-bound plan for the mandatory use of project management toolkits across UNOPS.**

Department responsible:	Infrastructure and Project Management Group
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

1056. The Infrastructure and Project Management Group's standards management framework, which is part of the UNOPS strategic plan for the period 2018–2021, sets a time-bound plan for mandatory use of project management toolkits within the business processes. The enterprise portfolio and project management system is being developed to make the use of the toolkits mandatory and easier to monitor.

1057. **In paragraph 115 of its report, the Board recommended that UNOPS prescribe appropriate methods for verifying and validating in order to ensure that the third parties and/or local contractors employing labourers for the implementation of UNOPS projects complied with the standards laid down in the policy for sustainable infrastructure.**

Department responsible: Infrastructure and Proj[illegible]agement Group

Status: Closure requested

Priority: Medium

Target date: Not applicable

1058. The standards referred to in the policy for sustainable infrastructure are mandated by the administrative instruction on UNOPS works contracts, and the works contract template stipulates the requirements for contractors regarding the employment of labourers. The requirements cover staff and labour rates, labour laws, facilities, engagement modalities, working hours, health and safety, and social safeguards in areas such as child labour and appropriate behaviour on site, among other things. UNOPS considers this recommendation to be implemented and requests its closure by the Board.

1059. **In paragraph 120 of its report, the Board recommended that UNOPS take steps to establish a distinct innovation fund, as envisaged in the strategic plan for the period 2014–2017.**

Department responsible: Finance Group

Status: Closure requested

Priority: Medium

Target date: Not applicable

1060. In the current UNOPS strategic plan for the period 2018–2021, there is no distinct innovation fund envisaged. UNOPS therefore considers this recommendation to have been overtaken by events and requests its closure by the Board.

1061. **In paragraph 137 of its report, the Board recommended that UNOPS integrate the lists of sanctioned vendors contained in other external vendor databases, such as the United Nations Global Marketplace, with oneUNOPS.**

Department responsible: Procurement Group

Status: In progress

Priority: High

Target date: Fourth quarter of 2019

1062. The project to integrate the external vendor databases with oneUNOPS has been initiated and is expected to be completed by the end of 2019.

1063. **In paragraph 156 of its report, the Board recommended that UNOPS review its existing standard operating procedures relating to vendor database management to ensure that it has a strong system of checks with defined formats of data, data validation and alerts regarding duplicates in the oneUNOPS system, in order to enhance the quality of data sets.**

Departments responsible: Finance Group and Information and Communications Technology Unit

Status: Closure requested

Priority: High

Target date: Not applicable

1064. The supplier clean-up project has been completed and new validation controls have been added to oneUNOPS. UNOPS considers this recommendation to be implemented and requests its closure by the Board.

1065. **In paragraph 167 of the report, UNOPS agreed with the Board's recommendation that it finalize guidance on the conduct of background checks for new recruits.**

Department responsible: People and Change Group

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1066. UNOPS continues to monitor the process of conducting background checks for new recruits and expects to finalize the related guidance by the end of 2018.

1067. **In paragraph 174 of its report, the Board recommended that UNOPS formulate policy directives and implementing instructions for the creation of an inclusive and accessible workplace for employees with disabilities.**

Department responsible: People and Change Group

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1068. UNOPS is conducting a self-assessment in the area of workplace accessibility. It will align itself with the actions of the United Nations Secretariat on this matter.

1069. **In paragraph 175 of its report, the Board further recommended that, as an enabling action towards making the organization more inclusive and accommodating towards people with disabilities, UNOPS endeavour to maintain data on employees with disabilities and complete an accessibility assessment of all its offices, digital platforms and processes, as a matter of priority.**

Department responsible: People and Change Group

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1070. As indicated above, UNOPS is conducting a self-assessment in the area of workplace accessibility.

1071. **In paragraph 180 of its report, the Board recommended that UNOPS ensure the implementation of its policy regarding the booking of tickets at least seven days in advance of the travel date. Systems should be enabled to capture the data related to booking, to allow for better monitoring.**

Department responsible:	Global Shared Service Centre
Status:	In progress
Priority:	Medium
Target date:	Second quarter of 2019

1072. The Global Shared Service Centre's strategic plan for the period 2018–2021 includes the planned centralization of the processing of travel requests through a suitable global travel tool, which will assist in ensuring a more coherent approach to the implementation of the advance purchase policy for travel tickets.

XV. United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women)

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[52]

1073. Table 40 summarizes the status of implementation of the main recommendations as of August 2018.

Table 40
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Management and Administration Division	1	–	–	1	1	–
Management and Administration Division and Programme Support Division	2	–	–	2	2	–
Human Resources Office	1	–	–	1	1	–
Programme Support Division	1	–	–	1	1	–
Total	**5**	–	–	**5**	**5**	–

1074. Table 41 summarizes the status of implementation of all recommendations as of August 2018.

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[52] A/73/5/Add.12, chap. II.

Table 41

Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Management and Administration Division	3	–	–	3	3	–
Management and Administration Division and Programme Support Division	2	–	–	2	2	–
Human Resources Office	2	–	–	2	2	–
Programme Support Division	4	–	–	4	4	–
Fiji multi-country office	1	–	1	–	–	–
Total	**12**	**0**	**1**	**11**	**11**	**–**

1075. **In paragraph 17 of the report, UN-Women agreed with the Board's recommendation that it: (a) continue with its efforts to ensure that field offices complied with the fraud risk assessment plan developed at its headquarters and perform fraud risk assessments that would enable management to focus on mitigating actions designed to prevent and detect instances of fraud; and (b) continue to provide adequate awareness training for staff on fraud risk assessment to ensure that the approach and methodology were aligned with best practices.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

1076. UN-Women has commenced the roll-out of individual fraud risk assessments, following fraud risk assessment training, for each risk unit in line with the organizational plan. The plan is being carried out using a phased approach that focuses on each region in a planned sequence. This will ensure that the organization achieves its planned target of completing 50 per cent of fraud risk assessments by the end of 2018 and 100 per cent by the end of 2019, and continuing on a cyclical basis going forward. In addition, the roll-out of the online mandatory fraud awareness training to all staff is on target to be completed before the end of 2018. This will further enhance the understanding of staff of potential instances of fraud and improve the quality of inputs to the fraud risk assessments carried out.

1077. **In paragraph 21 of its report, the Board recommended that the UN-Women Fiji multi-country office establish a mechanism and timelines to ensure that it advised and monitored the risk assessment processes in the countries under its jurisdiction to facilitate the achievement of the corporate enterprise risk management objectives.**

Department responsible:	Fiji multi-country office
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

1078. The UN-Women Fiji multi-country office has established a consultative mechanism to review the risk assessment process with each of the countries in the Pacific in which it has a presence. The risk matrix for the office is kept up to date with relevant inputs from quarterly consultations with each of the countries under its jurisdiction. UN-Women requests the Board to close this recommendation as it has been implemented.

1079. **In paragraph 27 of the report, UN-Women agreed with the Board's recommendation that it improve the link between the Results Management System tool and the Atlas system so that the information in RMS is up to date in order to facilitate timely and accurate decision-making.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1080. UN-Women started the information and communications technology project to make the necessary adjustments and improvements to the Results Management System, including with regard to the linkages with the Atlas system. This will ensure a more robust system that provides timely, relevant information for accurate decision-making.

1081. **In paragraph 31 of the report, UN-Women agreed with the Board's recommendation that it expedite the review of its grants modality in the programme and operations manual in order to provide more clarity on grants management.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2018

1082. UN-Women is finalizing the update of its grant policy, which will elaborate on the current provisions in the Programme and Operations Manual and provide more guidance on the management of grants.

1083. **In paragraph 36 of its report, the Board recommended that UN-Women: (a) strengthen its compliance with the implementing partners selection process and ensure that its field offices conducted capacity assessment of implementing partners in a proper manner in accordance with the requirements of the programme and operations manual; and (b) perform partner risk rating to identify the score for each implementing partner against the tolerable risk levels.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

1084. UN-Women attributed the noted deficiencies to various factors, such as the reliance on previous experiences with the implementing partners, implementing partners inherited from the United Nations Development Fund for Women, assessments conducted by other United Nations agencies that worked with the partners and the limited response to calls for proposals issued to implementing partners. UN-Women is undertaking an additional review and update of the programme and operations manual that will strengthen compliance with the implementing partners selection process, capacity and risk assessment with risk ratings. In addition, UN-Women will hold webinars in the fourth quarter of 2018 to train and further increase the capacity of field offices.

1085. **In paragraph 43 of the report, UN-Women agreed with the Board's recommendation that it: (a) work closely with the global auditors to review the audit process to ensure that project audit reports were submitted on time; and (b) strengthen accountability in the field offices for the assessment and monitoring of implementing partners by endeavouring to include key performance indicators for the implementation of audit recommendations on financial findings as part of the country office assessment tool.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2019

1086. UN-Women will continue to find ways of enhancing the various phases of the audit cycle to ensure that all stakeholders (the management of UN-Women, the implementing partners and the auditors) work coherently towards the timely finalization of audit reports. This includes, among other things, the development of related computerized systems upon the full implementation of the implementing agent code. The standard operating procedure for the code has been finalized. It will provide a platform for easier identification of partner expenditures, thereby enhancing the audit planning stage. The updated guidance will ensure that the partners selected are those that have strong controls in place for mitigating the risk of unsupported amounts. UN-Women will work to include a key performance indicator related to the financial findings of the implementing partner audits.

1087. **In paragraph 44 of its report, the Board further recommended that UN-Women: (a) ensure that conclusive assessments of the prior year's qualified audit report financial findings were conducted to determine the causes and prevent recurrence of the weaknesses identified; and (b) consider introducing policies that addressed weaknesses in project management that led to ineligible expenditure and that guided the administration on the proper accounting for ineligible expenditure in prior years to avoid potential misstatements in the financial statements.**

Departments responsible:	Management and Administration Division and Programme Support Division
Status:	In progress
Priority:	High
Target date:	Fourth quarter of 2018

1088. UN-Women has initiated the analysis of the findings of prior years to identify recurrent findings, trends and common weaknesses across the portfolio of projects audited in prior years, as well as to highlight the particular regions and country offices that have been the subject of recurrent audit qualifications. This will facilitate the determination of root causes and allow UN-Women to develop adequate mitigating and remedial actions designed to reduce repeat findings. In addition, the results will be built into operational monitoring and review processes to be leveraged for further partner capacity-building, as applicable, with a view to attaining improved partner audit results going forward. UN-Women will consider the introduction of policies to address weaknesses in project management that lead to ineligible expenditure and to guide the administration on proper accounting of ineligible expenditure in prior years.

1089. **In paragraph 49 of the report, UN-Women agreed with the Board's recommendation that it enforce the use of the Global Accountability and Tracking of Evaulation (GATE) system by updating information on the response of management to the evaluation reports in a timely manner and that it strengthen oversight of the implementation of evaluation recommendations.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1090. UN-Women remains committed to ensuring greater oversight of the implementation of the evaluation recommendations in 2018 through the improved use of the GATE system, which will be further enhanced by the completion of the restructuring of the Programme Support Division. In addition, UN-Women continues to monitor the status of implementation of the evaluation recommendations through the country office assessment tool.

1091. **In paragraph 52 of the report, UN-Women agreed with the Board's recommendation that it expedite the development of the action plan/guideline that would provide guidance across the organization for making it inclusive of and accessible for persons with disabilities.**

Department responsible:	Human Resources Office
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

1092. UN-Women is on target to launch the inclusion of persons with disabilities survey by September 2018. Data gathered from the survey will serve as invaluable inputs to the UN-Women action plan on the inclusion of staff with disabilities.

1093. **In paragraph 57 of its report, the Board recommended that after a feasibility assessment, UN-Women consider establishing a global individual consultants monitoring tool to record key details on the hiring of consultants, including such information as analysis of total hiring cost, performance measurement and supervisor's comments at every stage of the assignment, based on the agreements made with each individual consultant.**

Department responsible:	Human Resources Office
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

1094. The analysis of requirements and feasibility study for the establishment of a global individual consultant monitoring tool is ongoing. Following completion and results of the analysis and feasibility study, UN-Women will consider the next steps to take.

1095. **In paragraph 60 of its report, the Board recommended that UN-Women: (a) set a clear reference of the disaster recovery plan to the configuration management database; (b) review the backup procedure for the headquarters data centre and conduct the backups as per the disaster recovery plan; and (c) update the disaster recovery plan when new applications/websites were added.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1096. The review by UN-Women of the disaster recovery plan is in progress. The plan will be updated to include a clear reference to the configuration management database, an enhanced backup procedure and practices when new applications/websites are added.

1097. **In paragraph 63 of its report, the Board recommended that UN-Women expedite the development of a new ICT strategy which was aligned with its overall strategy.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Third quarter of 2018

1098. The development of a new ICT strategy is in progress.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

1099. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.12, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods. Information is provided below on the four recommendations that have been determined by the Board to be under implementation. The information is set out below in the order in which the recommendations are presented in the annex.

1100. Table 42 summarizes the overall situation as of August 2018.

Table 42
Status of implementation of recommendations from prior periods considered by the Board as not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Management and Administration Division	2	–	–	2	2	–
Programme Support Division	2	–	–	2	2	–
Total	**4**	–	–	**4**	**4**	–

Report of the Board for the year ended 31 December 2016[53]

1101. **In paragraph 15 of the report, UN-Women agreed with the Board's recommendation that it comply with advance regulations to ensure that advances were recovered promptly through payroll and corrective actions were taken in a timely manner.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1102. UN-Women holds monthly follow-up meetings on staff advances among its regional offices. It has recently assigned additional resources to take action on aged advances and conducted webinar training for all offices in April 2018. The delay in the full implementation of the recommendation was due to initial lack of staff capacity because of the ongoing recruitment of staff in two regional offices and the need to share knowledge through training on different types of staff advances and acceptable ageing and recovery mechanisms.

1103. **In paragraph 42 of the report, UN-Women agreed with the Board's recommendation that it: (a) ensure that the selection of implementing partners was strengthened and the requirements of the programme and operations manual regarding the selection process were adhered to; and (b) perform partners risk rating to identify the score for each implementing partner against the tolerable risk levels.**

Department responsible:	Programme Support Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

1104. UN-Women continues to review the implementing partners selection process to provide enhanced guidance. The capacity of staff to implement the improved guidelines on the selection of partners will be further strengthened through webinars. The delay in the full implementation of this recommendation relates to the introduction of improvements in the revised programme and operations manual in August 2017. The realization of the full impact of the changes made will be gradual and the improvements to the process will be seen with the newly engaged partners, not with the partners selected using guidelines that existed prior to August 2017. UN-Women continues to ensure compliance with the updated policy and procedures on the selection of partners.

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[53] A/72/5/Add.12, chap. II.

1105. In paragraph 58 of its report, the Board recommended that UN-Women: (a) expedite the development of a policy and guidelines that clearly defined the rationale for the establishment of the programme presence and the management of programme and field presences; and (b) develop business cases for the already established programme and field presences so as to suit the current needs and situation.

Department responsible:	Programme Support Division
Status:	In progress
Priority:	High
Target date:	First quarter of 2019

1106. In order to expedite the development of the required policy and guidelines, UN-Women has established an inter-divisional taskforce that has provided the senior management team with options for addressing the issue of country typology for UN-Women. The final decision had to await the outcome of the Secretary-General's reform proposal. This was to ensure that the country typology for UN-Women would be in line with the reform measures.

1107. **In paragraph 81 of the report, UN-Women agreed with the Board's recommendation that it: (a) consider the use of the implementing partner agent code in the chart of accounts for Atlas to enhance efficiency and effectiveness; (b) work closely with the global auditors to review the audit process to ensure that project audit reports were submitted in a timely manner; and (c) enhance the capacity of the Audit Coordination Unit to ensure that it supported effectively the oversight function in the organization.**

Department responsible:	Management and Administration Division
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2019

1108. With regard to parts (a) and (b) of the recommendation, UN-Women continues to find ways to improve the engagement among all stakeholders and to enhance processes that will ensure that audit reports are finalized and submitted on a timely basis. Discussions with the global auditors on improving timely delivery are ongoing, and it has been agreed that timelines will be adjusted when the Atlas implementing agent code is fully implemented and a computerized system is developed to support the processes. This will allow for an earlier audit planning phase, which would feed into the overall completion timelines for the audit cycle.

1109. Regarding part (c) of the recommendation, discussions are under way on how to increase capacity in respect of the coordination and monitoring of project audits, in terms of both positioning and increased oversight to ensure that timely action is taken in respect of the results of the project audits.

1110. The target date for the full implementation of this recommendation has been extended because the use of the Atlas implementing agent code could not be put in effect retroactively, but it is expected to be effective for all new projects and will be mandatory for all advances effective 1 January 2019.

XVI. International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[54]

1111. Table 43 summarizes the status of implementation of the main recommendation as of August 2018.

Table 43
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Registry	1	–	1	–	–	–
Total	**1**	**–**	**1**	**–**	**–**	**–**

1112. Table 44 summarizes the status of implementation of all recommendations as of August 2018.

Table 44
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Registry	2	–	1	1	1	–
Total	**2**	**–**	**1**	**1**	**1**	**–**

1113. **In paragraph 22 of the report, the Board indicated that, while it understood the position regarding the management of outstanding receivables from Member States, it recommended that the International Residual Mechanism for Criminal Tribunals closely monitor the outstanding receivables and payables which were within its capacity to ensure that they were fully recovered and cleared.**

Department responsible:	Registry
Status:	In progress
Priority:	Medium
Target date:	Fourth quarter of 2018

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[54] A/73/5/Add.14, chap. II.

1114. The Mechanism continues to closely monitor the outstanding receivables and payables, and notes that the amounts remaining to be cleared are minimal.

1115. **In paragraph 26 of its report, the Board recommended that the Mechanism closely monitor the progress of the pending cases related to staff litigations and disputes to ensure that they were resolved promptly.**

Department responsible:	Registry
Status:	Closure requested
Priority:	High
Target date:	Not applicable

1116. The Board has identified six cases relating to former staff members of the International Tribunal for the Former Yugoslavia, which are pending before the Management Evaluation Unit, the Disciplinary Unit, the United Nations Disputes Tribunal and the United Nations Appeals Tribunal. As with all cases being handled by the relevant independent bodies, resolution of these cases is completely outside the Mechanism's control The Mechanism therefore requests closure of the recommendation by the Board.

B. Implementation of the recommendations contained in the report of the Board of Auditors for prior financial periods

1117. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.14, chap. II), the Board provided a summary of the status of implementation of recommendations for previous financial periods, all of which have been determined by the Board to have been implemented or overtaken by events.

XVII. International Residual Mechanism for Criminal Tribunals

A. Implementation of the recommendations contained in the report of the Board of Auditors for the year ended 31 December 2017[55]

1118. Table 45 summarizes the status of implementation of the main recommendations as of August 2018.

Table 45
Status of implementation of the main recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Registry	3	–	1	2	2	–
Total	**3**	**–**	**1**	**2**	**2**	**–**

1119. Table 46 summarizes the status of implementation of all recommendations as of August 2018.

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[55] A/73/5/Add.15, chap. II.

Table 46
Status of implementation of all recommendations

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Registry	11	–	1	10	10	–
Total	**11**	–	**1**	**10**	**10**	–

1120. **In paragraph 20 of the report, the Mechanism agreed with the Board's recommendation that it supervise the architectural firm tasked with reviewing the control system for air quality, temperature and relative humidity of the archive repositories in the Lakilaki facility and modifying the system to ensure that it met standard requirements.**

Department responsible: Registry

Status: Closure requested

Priority: High

Target date: Not applicable

1121. The architectural firm completed its review of the control system for air quality, temperature and relative humidity of the repositories of the archive building and provided the Mechanism with the design and specifications for the remedial works required to achieve the specified requirements. The Mechanism considers this recommendation to be implemented and requests its closure by the Board.

1122. **In paragraph 24 of the report, the Mechanism agreed with the Board's recommendation that it present the three variation orders for additional works relating to the Arusha construction project to the local committee on contracts and, subsequently, to the Procurement Division for their ex post facto review and approval.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1123. The Mechanism is preparing the three variation orders for presentation to the local committee on contracts and it expects to submit them to the Procurement Division by the end of 2018.

1124. **In paragraph 28 of the report, the Mechanism agreed with the Board's recommendation that it ensure that unused assets and other assets that were out of order were physically disposed of in a timely manner.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Second quarter of 2019

1125. The assets cited in the Board's report have been approved for write-off and they have been derecognized in Umoja. The Mechanism is arranging for their physical disposal.

1126. **In paragraph 33 of the report, the Mechanism agreed with the Board's recommendation that it update the information on assets in Umoja, including assigning and issuing them to users (staff members) without delay.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1127. The updating of data and assignment of assets in Umoja following the closure of the International Tribunal for the Former Yugoslavia is in progress and is expected to be completed by the end of 2018.

1128. **In paragraph 38 of the report, the Mechanism agreed with the Board's recommendation that it implement the audiovisual preservation plan by completing stated targets of preserving 25 per cent of the recordings without backup, reviewing records for validity and completeness and establishing a governance board for the project.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Second quarter of 2019

1129. A governance board has been established and it has reviewed and approved the audiovisual preservation plan. The Mechanism has also started the digitization project.

1130. **In paragraph 43 of its report, the Board recommended that the Mechanism regularly remind staff members and travel administrators of travel provisions through periodic broadcast messages, to ensure that travel relating to home leave, family visit, education grant, separation and repatriation were planned well in advance of their commencement in order to comply with the request to submit travel requests at least 21 days before the travel date.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1131. To raise awareness about the importance of adhering to the 21-day guideline for entitlement travel, the Mechanism has initiated an awareness campaign, including notices on the Intranet and broadcast email messages.

1132. **In paragraph 49 of the report, the Mechanism agreed with the Board's recommendation that it: (a) repair or replace the defective uninterruptible power supply so that it might provide steady power in times of fluctuations; and (b) follow up closely with the contractor to ensure completion of the modification of the water pipes that ran across the ceiling of the data centre.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1133. Regarding part (a) of the recommendation, a repair order is being placed with a local vendor to replace the failed control card and use an existing uninterruptible power supply unit to serve as an alternative solution. With regard to part (b) of the recommendation, the water pipes that were running across the ceiling of the data centre have been diverted.

1134. **In paragraph 53 of the report, the Mechanism agreed with the Board's recommendation that it review and identify the gap between the unified judicial database and business requirements by involving key business process owners and, thereafter, prepare a master project plan encompassing all the activities that would be implemented by the vendor and internal staff.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1135. The work on the project is proceeding but with the departure of key staff, including the Chair of the project board and the project manager, there have been some delays.

1136. **In paragraph 54 of the report, the Mechanism also agreed with the Board's recommendation that it expedite the engagement of one or more independent reviewers to advise the Mechanism on the best way to complete the project.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1137. The Mechanism is in the process of engaging an independent reviewer for the project, as recommended by the Board.

1138. **In paragraph 55 of the report, the Mechanism agreed with the Board's recommendation that it ensure that: (a) the acceptance test was performed by users who would then sign off and acknowledge that the implemented system met their functional requirements; and (b) as a lesson learned, a project initiation**

document was prepared in line with the guidance for ICT project management, to serve as a framework for future projects.

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1139. The Mechanism is arranging for the acceptance tests and a project initiation document will be prepared, as recommended by the Board.

1140. **In paragraph 60 of the report, the Mechanism agreed with the Board's recommendation that it develop a new ICT strategy aligned with the Mechanism's overall strategy and the overall ICT strategic initiatives of the United Nations.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: Fourth quarter of 2018

1141. A draft ICT strategy has been prepared. It will be presented to the Information and Communications Technology Committee for review and endorsement at its next meeting.

B. Implementation of recommendations contained in the report of the Board of Auditors for prior financial periods

1142. In the annex to its report for the year ended 31 December 2017 (A/73/5/Add.15, chap. II), the Board provided a summary of the status of implementation of recommendations from previous financial periods. Information is provided below on the five recommendations that have been determined by the Board to be under implementation. The information is set out in the order in which the recommendations are presented in the annex.

1143. Table 47 summarizes the overall situation as of August 2018.

Table 47

Status of implementation of recommendations from prior periods considered by the Board as not fully implemented

Department responsible	*Number of recommendations*	*Not accepted*	*Closure requested*	*In progress*	*Target date set*	*No target date*
Registry	5	–	3	2	2	–
Total	**5**	**–**	**3**	**2**	**2**	**–**

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1144. **In paragraph 18 of the report, the Mechanism agreed with the Board's recommendation that it: (a) ensure that the contractor and the architect (consultant) completed the remaining works under the defect liability period without further delay; and (b) continue to engage with the Secretariat on how to recover liquidated damages as legally appropriate and economically feasible.**

Department responsible: Registry

Status: In progress

Priority: High

Target date: Fourth quarter of 2018

1145. Of the 880 items identified as remaining works, only 35 remain to be addressed. The architect and the contractor are currently in consultation regarding the final works, and discussions with the Department of Management and the Office of Legal Affairs continue with a view to addressing the issue of liquidated damages.

1146. **In paragraph 46 of the report, the Mechanism agreed with the Board's recommendation that the Archives and Records Section of the Mechanism develop an overall project plan/workplan for the entire backlog project, including a determination of all of the cases and records to be covered and the corresponding time frame, and for how it would monitor the plan's implementation.**

Department responsible: Registry

Status: Closure requested

Priority: High

Target date: Not applicable

1147. The Mechanism's Archives and Records Section has developed an overall project plan for the entire backlog project in the form of a project initiation document, which has been approved by the governance board that was established to supervise the project implementation. The Mechanism considers this recommendation to be implemented and requests its closure by the Board.

1148. **In paragraph 51 of the report, the Mechanism agreed with the Board's recommendation that it ensure that all records in the repositories of the Archives and Records Section were clearly reviewed and mapped to the approved records retention schedules and that there was effective implementation through initiation of the appropriate disposition actions.**

Department responsible: Registry

Status: In progress

Priority: Medium

Target date: First quarter of 2019

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[56] A/72/5/Add.15, chap. II.

1149. A project has been initiated with the following targets: records in the repositories of The Hague branch of the Archives and Records Section will be mapped to the approved records retention schedules by December 2018 and disposal triggers will be assigned and appropriate disposition actions initiated by March 2019.

1150. **In paragraph 56 of the report, the Mechanism agreed with the Board's recommendation that it ensure that the approval process was expedited in line with paragraph 26 of the standard operating procedures on travel requests and authorizations of 30 March 2015.**

Department responsible:	Registry
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

1151. The standard operating procedure cited by the Board has been overtaken by Umoja job aids, and new travel guidelines have been implemented. The Mechanism continues to remind travel approvers of their obligations under the travel guidelines. The Mechanism considers this recommendation to be implemented and requests its closure by the Board.

1152. **In paragraph 80 of its report, the Board recommended that the Mechanism expedite assessment and review of its ICT organizational structure to ensure that functions were located outside the ICT unit only for approved reasons and that ICT functions were mainly consolidated and centralized so as to prevent the fragmentation of ICT expertise and capacity.**

Department responsible:	Registry
Status:	Closure requested
Priority:	Medium
Target date:	Not applicable

1153. The Mechanism carried out a review of its ICT organizational structure and revised the reporting lines for those ICT officers that are not co-located with the main ICT section to ensure that ICT expertise and capacity are not fragmented. The Mechanism considers this recommendation to be implemented and requests its closure by the Board.